BREAKING BARRIERS

FY21 NIKE, Inc. Impact Report

Contents

Purpose Guides Us

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

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

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

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

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

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

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

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

Joan Benoit Samuelson, Long-distance runner

John Donahoe
President and CEO, NIKE, Inc.

Letter From John

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

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

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

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

NIKE's mission is to bring inspiration and innovation to every athlete* in the world. Our purpose is to move the world forward through the power of sport.

And in the face of today's pressing challenges, I believe that NIKE's potential to bring hope and inspiration matters more than ever.

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

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

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

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

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

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

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

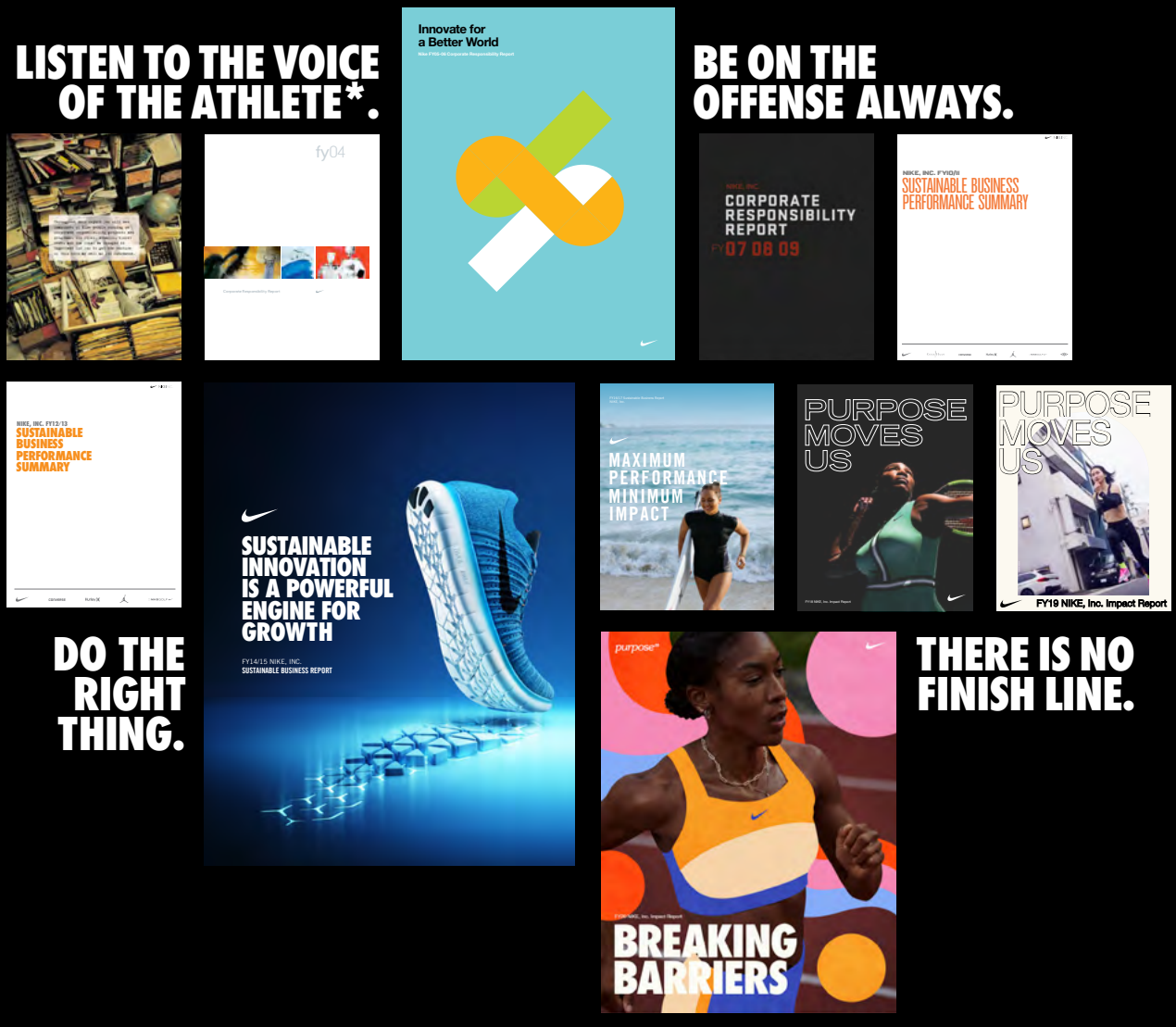
President and CEO
NIKE, Inc.

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

Naomi Osaka, Tennis player

50

years of purpose



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

20

years of reporting

50

years of purpose

REPORTING HIGHLIGHTS

Click links to be taken to the highlight

2002
- First report
- Workforce diversity disclosure

2005
- Formal multi-stakeholder feedback on reporting
- First GRI Index

2007
- First set of 5-year targets (FY11)
- GHG footprint
- Tier 1 contract factories disclosure

2010
- Carbon footprint of a shoe

2012
- Meta trend analysis
- Scope 3 carbon reporting
- FY15/20 targets

2014
- Value chain footprint

2016
- Issue Prioritization
- FY20 targets

2018
- Pay equity disclosure
- SASB Summary
- Tier 2 suppliers disclosure

2019
- Transition to annual reporting
- Science-Based Targets commitment
- External validation of data (carbon)

2021
- Purpose targets connected to executive compensation
- FY25 targets

20

years of reporting

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

Letter From the Chair of the Corporate Responsibility, Sustainability & Governance Committee

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

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

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

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

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

2025 TARGETS

50

FY05/06 Corporate Responsibility Report

NIKE published its first set of 5-year Purpose targets

20

We are always committed to progress.

In 2022, NIKE celebrates 50 years of relentlessly pursuing innovation and 20 years of tracking and reporting our impact.

As NIKE has grown, so has our understanding of NIKE's role and responsibility around the world.

Over two years, NIKE developed a set of challenging, but achievable, corporate commitments. The result is 29 targets against our People, Planet and Play efforts for 2025. We hold ourselves accountable to these targets through action plans and rigorous tracking.

Our approach is industry-leading because we:

- Connect executive compensation to progress against our 2025 targets
- Leverage annual milestones to improve performance management
- Extend accountability of targets deeper into our value chain, specifically in the areas of waste, labor and supplier diversity
- Align with the United Nations Sustainable Development Goals (SDGs) and other global external frameworks

We know that progress will not be linear, but accountability in this space means sharing our successes and learning from our setbacks. For 20 years, we've remained committed to transparency by sharing our performance and progress through our Impact Report.

FY21 Performance Summary[1]

▲ *Favorable* ▼ *Unfavorable*

People

Representation & Hiring

	Metric	*FY20*	*FY21*	*FY21 Change vs. Baseline*		*FY25 Target*
50% representation of women in global corporate workforce and 45% in leadership positions	% women in global workforce	50.2%	**50.4%**	0.2 p.p.[2]	▲	50%
	% women in leadership positions	39.3%	**43.0%**	3.7 p.p.	▲	45%
30% representation of U.S. racial and ethnic minorities at Director level and above	% U.S. racial and ethnic minorities at Director level and above	26.1%	**30.3%**	4.1 p.p.	▲	30%
35% representation of U.S. racial and ethnic minorities[3] in our U.S. corporate workforce[4]	% U.S. racial and ethnic minorities in U.S. corporate workforce	31.6%	**34.3%**	2.8 p.p.	▲	35%
$10 million investment in Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs)	$ invested	–	**$450,000**	–	▲	$10M
Enhance opportunities and marketing of open roles for first-line athletes[5] to compete for corporate roles	*Qualitative*	–	–	–	–	–
100% of strategic suppliers[6] have gender equitable (GE) workplaces[7]	% suppliers achieving mature gender equitable capability	–	**0%**	–	–	100%

Pay & Benefits

100% pay equity across all employee levels on an annual basis	$ earned by men/women; $ earned by white/U.S. racial and ethnic minorities	100%	**100%**	–	▲	100%
Provide competitive and equitable benefits for all employees	*Qualitative*	–	–	–	–	–

Health & Safety

100% of strategic suppliers[6] are building healthy and safe workplaces[8]	% suppliers with Level 3 health and safety maturity	22%	**27%**	5 p.p.	▲	100%

Inclusive Culture & Engagement

Top quartile of benchmarked companies for both engagement[9] and inclusion[10]	Percentile ranking for engagement	67%	**65%**	-2 p.p.	▼	>75%
	Percentile ranking for inclusion	–	**63%**	–	▲	>75%
Continue to focus on improving access to athletes* of all abilities for our brand, our experiences, our product, our facilities and our company	*Qualitative*	–	–	–	–	–
100% of strategic suppliers[6] are measuring and improving worker engagement[11]	Strategic suppliers measuring and improving engagement	–	**0%**	–	–	100%

Education & Professional Development

100% of Vice Presidents complete and be credentialed on Inclusive Leadership education[12]	% VPs completing training	–	**0%**	–	–	100%
2x investments focused on professional development for racial and ethnic minorities in the U.S. and women globally	$ invested on professional development	$76,000	**$85,000**	1.12x	▲	2x

Business Diversity & Inclusion

$1 billion cumulative spend on diverse suppliers[13]	$ spent on diverse suppliers	–	**$197M**	–	▲	$1B

Foundational Expectations

▲ *Favorable* ▼ *Unfavorable*

Foundational Expectations	*Metric*	*FY20*	*FY21*	*FY21 Change vs. Baseline*	*FY25 Target*
100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards	% compliance with foundational expectations	94%	**85%**	-9 p.p. ▼	100%
	% of facilities measured for compliance of anticipated total scope	66%	**79%**	13 p.p. ▲	100%

Play

Active Kids	*Metric*	*FY20*	*FY21*	*FY21 Change vs. Baseline*	*FY25 Target*
Drive sustained community impact by getting kids moving in our key cities and sourcing backyards with 50% girl participation	% girl participation	–	**55%**	– ▲	50%

Inclusive Community					
Invest $125 million to support organizations working to level playing field and addressing racial inequality	$ invested	23.4M	**$36.6M**	– ▲	$125M

Employee Engagement					
Increase the number of employees engaged in their communities to a minimum of 35%	% of employees engaged in their communities	37%	**35%**	-2 p.p. –	35%

Community Investment					
Invest 2% of prior-year, pre-tax income to drive positive impact in communities	% of prior-year, pre-tax income invested	1.9%	**3.4%**	1.51 p.p. ▲	2%

"Everything that I do, on and off the track, I want it to be with purpose. I want it to be about moving sport forward, even the world forward if I can, and I want it to be about creating positive impact."

Scout Bassett, Track and field athlete

Planet

▲ *Favorable* ▼ *Unfavorable*

Carbon	*Metric*	*FY20*	*FY21*	*FY21 Change vs. Baseline*		*FY25 Target*
70% absolute reduction of greenhouse gas (GHG) emissions in owned or operated facilities through 100% renewable electricity and fleet electrification[14,15]	Owned or operated facility GHG emissions (metric tons CO_2e)	208,647	**119,141**[16]	-43%	▼	-70%
	% renewable electricity	48%	**78%**[16]	+64%[17]	▲	100%
0% emissions change in manufacturing and transportation[18]	Manufacturing and transportation GHG emissions (metric tons CO_2e)	3,650,156	**2,864,812**	-22%	▼	0%
0.5M metric tons emissions reduction through 50% environmentally preferred materials[19]	Materials GHG emissions reduced (metric tons CO_2e)	96,020	**123,367**	28%	▲	500,000
	% environmentally preferred materials (EPM)	31%	**32%**	1 p.p.	▲	50%
Waste						
10% waste reduction per unit in manufacturing, distribution centers (DCs) and headquarters (HQs)[20]	Waste/unit (g/unit)	290.30	**277.89**	-4%	▼	-10%
100% waste diverted; 80% recycled in manufacturing, packaging, DCs and HQs[21]	% waste diverted from landfill and incineration	96%	**97%**	1 p.p.	▲	100%
	% waste recycled	68%	**69%**	1 p.p.	▲	80%
10x finished product waste (FPW) refurbished, recycled or donated[22]	FPW collected and recycled or donated (units)	1,277,703	**2,347,576**	1.8x	▲	10X
Water						
25% reduction in freshwater usage per kg textile dyeing and finishing[23]	Freshwater use/kg textile dyeing and finishing (L/kg)	84.36	**79.10**	-6%	▼	-25%
13B liters water restored in our extended cotton supply chain[24]	Water restored (L)	0.65B	**2.06B**[25]	–	▲	13B
Chemistry						
Adopt clean chemistry alternatives for our 10 priority chemistries across our supply chain	# priority chemistries with clean chemistry alternative	0	**0**	–	–	10

Purpose 2025 Targets: Footnotes

1 FY20 was the target year for our FY20 targets (FY15–20) and is the baseline year for the majority of our 2025 targets. The continual expansion of our Purpose targets' depth and breadth is a key element of our strategy. As such, we introduced new areas included in target scope with the 2025 targets. As a result, in many cases, FY20 values disclosed in the FY20 NIKE Impact Report differ from those provided in this report, reflecting the more inclusive measurement scope in our most current targets.
For the 9 Planet targets and the 3 Supply Chain targets, the target year (in which the target value is expected to be achieved) is considered the full FY25. For the Foundational Expectations target and the People targets, FY25 Q4 constitutes the final measurement period.

2 p.p. = percentage points.

3 U.S. Racial and Ethnic Minorities as defined by EEO1 categories including American Indian or Alaskan Native, Asian, Black or African American, Hispanic/Latino, Native Hawaiian or other Pacific Islander.

4 U.S. corporate workforce includes all U.S.-based full-time employees who do not work in our retail stores, distribution centers and Nike Air manufacturing innovation (Air MI).

5 First-line athletes include full-time employees who work in our retail stores, distribution centers or Nike Air manufacturing innovation (Air MI).

6 Strategic Suppliers: Strategic Finished Goods Suppliers; Suppliers representing approximately 80% of total footwear and apparel production.

7 In order to reach mature gender equity, suppliers must achieve an overall Gender Equity Self-Diagnostic Tool (SDT) score of 71% and perform at a certain threshold in each of SDT's 10 domains. This target baselined in FY21 as the tools to measure didn't exist when the target period started. While none of the strategic suppliers reached a mature level of gender equity in FY21, more than 95% of suppliers met our FY21 milestone to deploy and validate the Gender Equity Diagnostic Tool, develop an action plan and implement actions.

8 Healthy and safe workplaces: Supplier must reach Level 3 safety and health maturity on Culture of Safety Maturity Assessment (CoSMA).

9 This index measures the emotional commitment our team members have for NIKE, influenced by their day-to-day experiences.

10 This index measures the extent that our teammates feel that NIKE supports a culture of diversity and inclusion, as well as their personal perceptions around feeling valued and included.

11 Criteria for measuring and improving engagement must be met for the factory to count toward the target KPI of *measuring and improving*. While most suppliers have started to measure worker voice in their facilities, none have advanced to the next phase, which involves responding to and improving worker experience. We will begin reporting on progress next year as suppliers begin to enter this next phase. The target baselined in FY21 and wasn't measured in FY20.

12 At the end of FY21, no Vice Presidents had been credentialed because of the program launching in April 2021.

13 A Diverse Supplier is one that must be majority (at least 51%) owned, operated, managed, and controlled by a diverse* person or persons who are either U.S. citizens or lawful permanent residents. *A "diverse person" may be defined as a minority**, woman, disabled, LGBTQ and/or veteran. **Minority defined as African-American, Hispanic, Asian-American, Native-American, Pacific Islander or other types of ethnic minorities here in the United States.

14 Target represents NIKE's Scope 1 and 2 emissions footprint, including facilities and HQ fleet vehicles, and corporate jets.

15 FY15 is the baseline for NIKE's RE100 target, which was 14% renewable energy.

16 This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2020, to May 31, 2021, as indicated in the Report of Independent Accountants.

17 Renewable electricity use was 14% when this target baselined in FY15.

18 Scope includes suppliers representing approximately 80% of total footwear and apparel production; suppliers representing approximately 80% of total footwear upper materials and apparel textiles production; and about 95% of both inbound and outbound transportation.

19 Footwear EPMs: Recycled Polyester, Recycled Rubber, Leather that reduces NIKE's enterprise carbon impact; currently includes synthetic leather and Flyleather. Apparel EPMs: Recycled Polyester, Organic Cotton, Recycled Cotton, Third Party Certified Cotton.

20 Scope includes packaging applied in finished goods manufacturing; suppliers representing approximately 95% of total footwear production; Air Manufacturing Innovation; distribution centers; and Headquarter locations. Apparel manufacturing waste not yet included in reporting scope as data sources for target tracking are under establishment.

21 Scope includes suppliers representing approximately 95% of total footwear production and about 60% of apparel; Air Manufacturing Innovation; distribution centers; and Headquarter locations. Diverted: Includes waste to energy incineration, recycled waste and composted waste. Recycled: Includes recycled and composted waste.

22 Finished Product Waste consists of: Unsellable inventory in NIKE's marketplace (product deemed as unsellable through normal sales channels including aged inventory, samples, defectives, consumer returns); and end-of-life product owned by the consumer.

23 Scope includes suppliers representing approximately 80% of total footwear upper materials and apparel textiles production.

24 Restored through a portfolio of projects that support long-term resilience for water-stressed ecosystems and communities within our extended cotton supply chain.

25 This metric is based on more than $550,000 in funding from NIKE which is part of Management's Assertion on select sustainability metrics, for which PwC has performed limited assurance over the cumulative funding since inception through May 31, 2021, as indicated in the Report of Independent Accountants.

WE INVEST IN PEOPLE TO MOVE FORWARD

Reading with a Rapper, an initiative of Legends Do Live – Houston, TX

Center for Healing and Justice Through Sport – Los Angeles, CA

At its best, sport redefines human potential.

When people can see their potential and know what they're capable of, they can do great things. But we know that barriers to achieving our individual and collective greatness persist.

That's why we're building a diverse and inclusive team at NIKE to reflect the unique communities of the athletes we honor and the people who love our products. It's also why we're investing in more equal, inclusive and active communities.

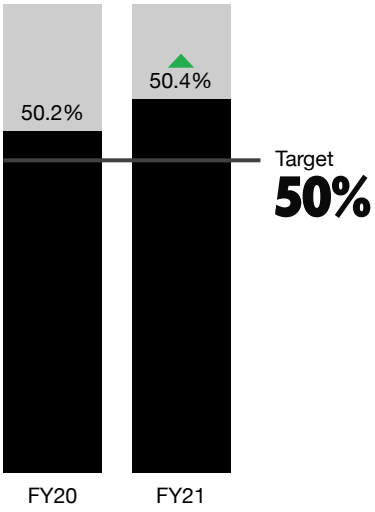
We're working to break down barriers so everyone has the opportunity to be the best they can be – at NIKE and in the communities we serve.

Focus Area

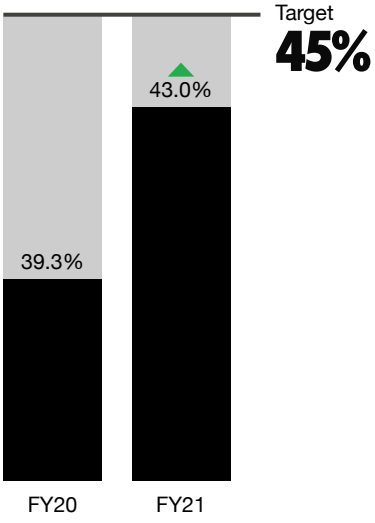
REPRESENTATION & HIRING

Move the world with a career at NIKE

% women in global workforce



% women in leadership positions



Quantitative Target (Employees)

50% representation of women in global corporate workforce and 45% in leadership positions

Diverse teams are more innovative, collaborative and productive. At NIKE, we believe a diverse, inclusive team and culture is necessary to create an equitable playing field for the future.

As gender inequality in the workplace remains a pervasive global issue, we strive to enable women to reach their full career potential while staying committed to fostering an environment that supports them in the workplace. We know that hiring and promoting women into leadership positions is good for employees, our business and the communities around the world in which we operate.

During FY21, we increased the percentage of women in our global corporate workforce to 50.4% and women in leadership positions to 43.0%. We also expanded diversity recruitment and continued our use of transparent, data-driven talent practices and decisions.

Through our diverse slates process, we seek to fill positions using a diverse pool of qualified candidates. In FY21, the process was a key element to increase talent at the leadership level through externally posted roles. And to support this process, hiring managers are trained on guidelines, including how to post roles with inclusive language, create diverse interview panels and use appropriate escalation paths when representation targets were not met.

We also built relationships with over 50 external partners (including The Mom Project, Lesbians Who Tech and Women Who Code) while actively participating in several events (such as the Grace Hopper Celebration) that allowed us to source candidates from a variety of backgrounds. We consistently leverage these engagements to showcase NIKE as an employer of choice for underrepresented groups and to share opportunities that prospective talent may not be aware of, including areas outside of which we are primarily known, such as technology.

Internally, our Women of Nike & Friends Network – through NikeUNITED – continues to play a significant role in retention and promotion of women through its robust, interactive programming. In FY21, the network held over 25 events, including NOW with Women of NIKE: Setting Career Intentions for 2021, International Women's Day with

WIN alumni Chantel Tremitiere

Serena Williams and Unlocking the Power of Women in Investing. WON continues to expand beyond the U.S., and within our APLA[26] geography, we established a new WON Network to amplify local voices as we continue to foster a sense of belonging and inclusion within the workplace and within our geographies.

Our NikeUNITED Networks

Teammates across NIKE have formed several networks, collectively known as NikeUNITED. These employee-formed and -managed communities offer resources to NIKE teammates around the world, helping advance the development of their members, promote cultural awareness, and help strengthen our commitment to diversity and inclusion.

- *Ability* Network*
- *Ascend Network & Friends*
- *Black Employee Network & Friends*
- *Latino & Friends Network*
- *NIKE Military Veterans & Friends*
- *Native American Network & Friends*
- *PRIDE Network*
- *Women of NIKE & Friends*

Converse has also adopted this model with five distinct Employee Networks, collectively known as Converse United, including Converse Mosaic Network, Converse Pride Network, Women of Converse, Converse Military Veterans and Converse Abilities Network.

More information can be found at NikeUNITED.[27]

Additionally, various business functions have established sponsorship programs to further accelerate the career trajectory of women in the workplace. For example, two signature programs NIKE has developed to drive greater representation are:

- **Women in NIKE (WIN):** a best-in-class, 24-month journey designed to provide a relevant and dynamic work experience for retired and retiring Women's National Basketball Association (WNBA) players. In FY21, the inaugural cohort successfully completed the program and later in CY21 the third cohort of 16 began their journey. Each of the 11 WIN fellows from the inaugural cohort continue to grow their careers with NIKE.

26 APLA stands for Asia-Pacific and Latin America.
27 https://purpose.nike.com/employee-networks

3.7 PERCENTAGE POINT

increase in women in leadership roles globally to 43%

- **Valari:** a nine-month fellowship that engaged the talents of former caregivers – who have already paved a way in the technology industry – and are eager to get back in the game by enhancing and restarting their careers. Launched in FY21, the program provides a curated learning experience that includes accelerated leadership development, career coaching, committed executive sponsors and NikeUNITED Network support, as well as mentorship.

In addition to developing signature programs targeting the advancement of women in the workplace, we also work with organizations (PowerToFly, Grace Hopper, Advancing Women Executives (AWE), etc.) that align with NIKE's values and goals to support women and drive representation and opportunity.

While the landscape for top talent remains competitive, our targeted efforts and enhanced investments keep us on track to meet and potentially surpass our 2025 target for representation of women.

More Data

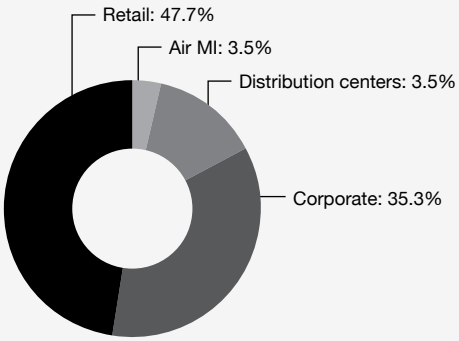
NIKE, Inc. Totals by Gender (Global)

How People Targets Apply to Employee Base

Some employees targets apply across the entire employee base. Others are focused on specific populations.

The chart on the right shows how they are distributed.

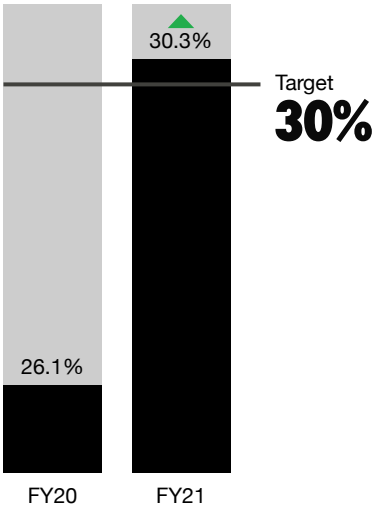
U.S. Employee Population



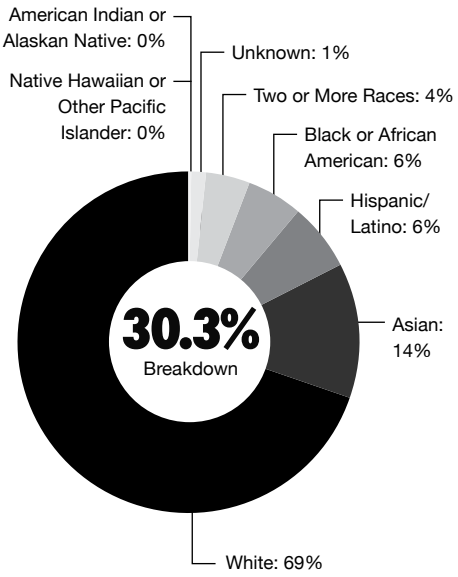
	% Women	*% US Racial and Ethnic Minority*	*2025 Targets*
Corporate Employees	**50.4%** ▲ 0.2 p.p.	**34.3%** ▲ 2.8 p.p.	Representation Professional Development Pay & Benefits Culture & Engagement
Air MI	**37.5%** ▲ 0.4 p.p.	**61.5%** ▼ -0.3 p.p.	Pipeline Pay & Benefits Culture & Engagement
Distribution Centers	**48.5%** ▲ 0.9 p.p.	**88.8%** ▲ 1.2 p.p.	Pipeline Pay & Benefits Culture & Engagement
Retail Employees	**50.9%** ▲ 2.0 p.p.	**77.3%** ▲ 1 p.p.	Pipeline Pay & Benefits Culture & Engagement

▲▼ *Change since FY20*

% U.S. racial and ethnic minorities at Director level and above



U.S. corporate workforce, Director level and above



Quantitative Target (Employees)

30% representation of U.S. racial and ethnic minorities at Director level and above; increase pipeline of Black and Latinx talent at Director and above

At NIKE, focusing on U.S. racial and ethnic minorities is important for the business and the culture we're building. Emphasizing Black and Latinx teammates allows us to better encompass, reflect, understand and appreciate our consumers, their communities and their cultures.

This focus helps NIKE build an inclusive company of the future – with a diversity of perspectives and experiences that helps to drive innovation, broadens our thinking as global citizens and strengthens our power to solve problems. And while hiring new, world-class talent will be necessary, we must also increase representation by promoting and developing the outstanding talent we already have – across all levels, and across all U.S. racial and ethnic minorities.

During FY21, we increased the percentage of U.S. racial and ethnic minorities at Director level and above to 30.3%.

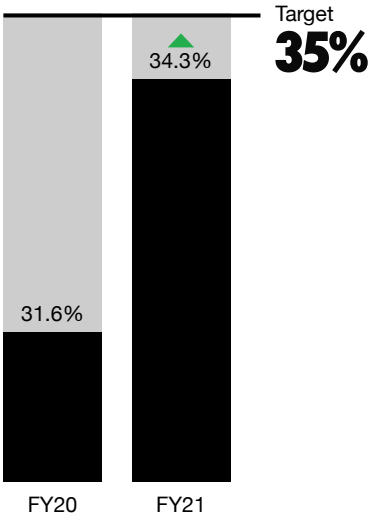
We've expanded our focused development for our U.S. racial and ethnic minorities, and we now include McKinsey & Company's Management Program for mid-level leaders and McKinsey Academy for our Senior Directors and Vice Presidents. These programs aim to enhance these employees' skills and capabilities, better equipping them and the organization for future growth.

NIKE also initiated a diversity and inclusion mentorship program for corporate employees in the U.S., which strives to further promote equity, opportunity, belonging and an inclusive culture. To date, over 600 employees have participated in the program. We look forward to expanding the program in FY22.

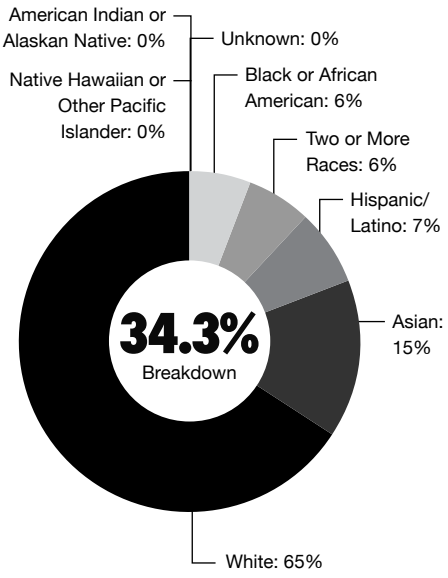
More Data

NIKE, Inc. Totals by Race/Ethnicity (U.S.)

% U.S. racial and ethnic minorities in U.S. corporate workforce



U.S. corporate workforce



Quantitative Target (Employees)

35% representation of racial and ethnic minorities in our U.S. corporate workforce

At NIKE, we are determined to increase representation within our U.S. corporate workforce. To achieve this target, we have partnered with expert external consultancies to develop targeted advocacy plans, focused on belonging, employee development and leadership representation across African American/Black, Hispanic/Latinx and Asian American/Pacific Islander demographics.

We continue to drive allyship through integrated programming and initiatives that support cultural awareness and leadership representation. We also prioritize the recruitment of the best and brightest talent available – bringing to NIKE critical capabilities that support our continued business growth while building a talent pipeline and diversifying our workforce.

In FY21, we scaled up our hiring efforts across traditional channels like executive recruiting, campus recruiting, and sourcing and partnerships. We are excited for these innovative programs and efforts to proactively expand our reach and talent diversity.

We're starting to see results from our investments in signature programs such as **Serena Williams Design Crew (SWDC)** – a six-month apprenticeship program to diversify talent within the design industry. Seventy percent of our diverse designers from our first cohort in New York City accepted full-time design positions within NIKE – all having worked on the premier launch of the Serena Williams Collection. In FY21, we expanded our pipeline efforts for Cohort 2, with eight of 11 accepting full-time positions. For Cohort 3, the program has grown to 14 designers.

On the heels of the SWDC's success, NIKE's Human Resources Innovation team partnered with Converse to launch a new internal design apprenticeship program in the U.S. in 2021. The **Converse All Star Design Team** offers a six-month course to six design apprentices from diverse backgrounds. The course focused on advanced learning and development education, networking and hands-on experience in global design and product creation and was supported by a team of 20 Converse designers, managers and peers. Two individuals from the program were hired, with Converse planning to continue it in FY22.

Sam McCraken, General Manager, Nike N7

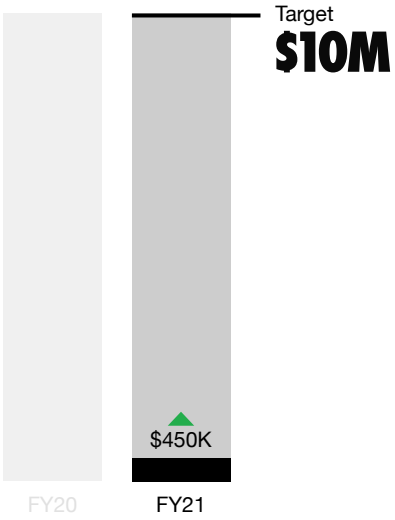
In addition, NIKE will continue recruiting across other key groups, such as the Native American and Indigenous community through our **Nike N7** product collection, inclusive community portfolio and our internal employee network, the Native American Network (NAN). For example, the White House and Nike N7, alongside the Aspen Institute's Center for Native American Youth (CNAY), regularly convenes Native and tribal youth to participate in the White House Tribal Youth Forum. This forum features high-level administration officials, special guests from Nike N7 and Native youth discussing a variety of topics, such as mental health.

In FY21, NIKE hosted our second annual **Footprint Summit**, which focuses on creating pathways to potential corporate and other economic opportunities for Native and Indigenous community members. We saw a 44% year-over-year increase of attendees, particularly university and industry candidates and advocates from Native American and Indigenous communities. This event was entirely virtual, with expanded content delivered over two days and including 18 internal and external speakers, NIKE executives, employees, Nike N7 athletes and external partners. We look forward to the next summit, where we'll bring even more opportunity to this community.

Beyond our corporate workforce, we have invested in retail, distribution centers and Air MI through the following initiatives:

- Through **Lane Four**, NIKE offers a direct pay education program to enable distribution center and Air MI team members to complete their first bachelor's degree, in partnership with the University of Memphis. Inspired by the desire to make education equitable and accessible, Lane Four goes beyond standard corporate tuition reimbursement programs – with NIKE paying the University of Memphis directly. The benefits include Prep Academy with an earned admission track (no entry tests or GPA requirements), no out-of-pocket tuition costs, a laptop loaner program and 24/7 tutoring. Since its inception in December 2020, Air MI and more than 130 NIKE distribution center teammates have enrolled in the program.
- NIKE is part of the Greater Memphis Chamber of Commerce **Buy Memphis** pilot B2B procurement initiative. This program engages Memphis companies to develop individual and shared processes and investments for driving more spend to locally, minority- and women-owned businesses.
- Through our **Starting Line-Partner** initiative, we work with community-based organizations to design and deliver a multi-week onboarding experience to reach new distribution center talent while equipping potential candidates with essential skills.

$10M investment in HBCUs and HSIs



Quantitative Target (Employees)

$10 million investment earmarked for Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs) in the form of scholarships and academic partnerships to increase intern and direct hires

At NIKE, we have seen positive progress hiring from the Black and Latinx communities at the early-in-career level. To further facilitate this progress, we have increased engagement with and participation from HBCUs and HSIs. In FY22, we look to amplify the progress we made in FY21 and make significant headway on our target.

NIKE has established pathways for access and visibility within the HBCU/HSI network with a sharp focus on key institutions. NIKE has expanded its sponsorship of student clubs and organizations as well as within universities' career development centers. We've invested $200,000 to support students with stipends for tuition and books at Florida Agricultural and Mechanical University. We've invested $250,000 with the Hispanic Scholarship Fund to provide scholarships, career readiness preparation and access to job opportunities.

Furthermore, the "Until We All Win" grant portfolio in North America supports HBCUs and HSIs through contributions to the following college funds:

- United Negro College Fund (private HBCUs)
- Thurgood Marshall College Fund (public HBCUs)
- Hispanic Heritage Foundation (HSIs)

In FY21, NIKE made a strategic investment, creating a recruiting and sourcing team focused on engaging candidates from HBCUs and HSIs.

Our University Relations and Recruiting Programs efforts in the U.S. have helped drive our diversity and inclusion strategies, as we've expanded support to early-in-career and emerging leader talent pipelines. The demand for top, diverse talent remained strong in FY21 as we saw a flow of qualified talent consistent with pre-pandemic levels. For the second consecutive year, we hosted a comprehensive, virtual experience to help drive recruitment and interest.

Giannis Antetokounmpo at an Academy event

Converse All Stars Program Partner John Boyega

20%

of NIKE's university talent pipeline were candidates from HBCUs and HSIs

With a commitment to growing our future workforce, we routinely rank among the top Global Internship programs and continue to see progress in the diversity of our intern class. Within our 2021 intern class, 32% identified as U.S. racial and ethnic minorities (FY20: 49%). Though our diversity progress is industry-leading, we attribute the FY21 dip in our U.S. racial and ethnic minority percentages to a decrease in the size of our intern class – due to the impact from the global pandemic. As with the previous year, we consistently saw high rates of internship conversions to full-time positions throughout NIKE, in line with industry benchmarks – even during the pandemic.

As a result of these initiatives, in FY21, 20% of NIKE's university talent applicants were candidates from HBCUs and HSIs (FY19: 8%; FY20: 18%).

NIKE is also deepening and expanding our engagement with the HBCU and HSI network through an internal council. The purpose of this council is to leverage the knowledge and experience of NIKE employees who have attended or have a meaningful connection to HBCUs and HSIs, with the goal of strengthening NIKE's relationship with these communities through mentorship, scholarships and experiences.

NIKE Rise store – Seoul, Korea

Qualitative Target (Employees)

Enhance opportunities and marketing of open roles for first-line athletes to compete for corporate roles

At NIKE, our employees who work at our retail stores are talented individuals made up of many cultures and backgrounds from across the globe – and they reflect the communities where we live, work and serve. Our first-line athletes possess a wealth of product knowledge and consumer insights and are very loyal to the brand. Through the NIKE Athlete Experience (NAX) program, we have created accessible pathways for first-line athletes to broaden their skills and competencies, with added exposure to corporate job experiences. NAX leverages talent within our NIKE ecosystem for future corporate opportunities and career growth.

Our retail store employees are given the opportunity to participate in several distinctive career development experiences:

- **The Retail Experience Program (REP)** invests in the first-line athlete development while allowing the NIKE corporate teams they work with to gain a first-hand perspective and to benefit from their expertise. REP is a four-month recurring critical experience program within NIKE Tech and Digital disciplines that leverages the perspectives and expertise of first-line team members. After completing the REP experience, first-line athletes will return to the store to apply their learnings as they continue to build their career in retail or at NIKE World Headquarters (WHQ). In FY21, eight first-line athletes participated in the REP program, increasing to 56 athletes by the end of CY21.
- **The Track Stretch Program** is a short-term, six-month experience across functions at WHQ that allows for critical development and exploration of different career paths and specializations. Through a joint collaboration, first-line athletes bring their strong marketplace, product and consumer knowledge into the corporate environment – taking away deep experiences from the team they are embedded with back to their store to build their career. In FY21, 25 Track Stretch roles were filled, increasing to 53 by the end of CY21.

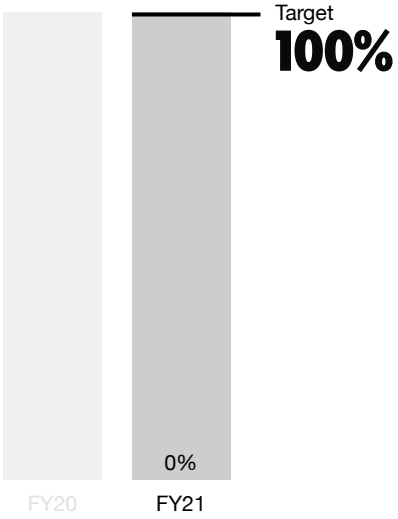
- **The Academy Program** is a one-year rotational program in the U.S. that is open to both past and present Head Coaches (retail store managers). Participants spend time working in functions centered on deepening one-on-one connections with consumers. During the experience there is a specific focus on the participants' development and exposure across all of NIKE Direct. At the end of the Academy Program experience, participants are placed in a full-time employee role within NIKE Direct, North America. In FY21, The Academy Program welcomed six Head Coaches into this program.

We have also updated our approach to provide greater visibility into Gateway roles, which are entry-level corporate opportunities that may be a good match for a retail store employee looking to make the transition into a corporate position. While NAX efforts are specifically for retail teammates, Gateway roles are accessible to all employees (retail, distribution centers and Air MI). The NAX and recruiting programs team works with other functions to identify roles and job families that are good Gateway roles, which it then makes visible to first-line employees. First-line teammates are provided a curated list of open corporate roles on the external NIKE careers site so they can easily find and apply for open roles that match their interests.

Through the Gateway programs effort, over 40 job positions were identified as a match for first-line teammates and added to the curated list of positions visible to first-line employees. This resulted in significant interest from retail, distribution center and Air MI employees.

In another new approach, store employees were offered career sessions by the retail initiatives to give them a comprehensive overview of various business functions, roles and responsibilities with Gateway roles. In FY21, this team hosted eight career sessions for the first-line retail community with over 630 athletes interested in pursuing NAX roles. Career session content was focused on building a strong resume and preparing first-line employees for a successful interview.

% suppliers achieving mature gender equitable capability[28]



Quantitative Target (Supply Chain)

100% of strategic suppliers are increasing access to career opportunities and upward mobility for women employed in their facilities

We know gender diverse businesses perform better and positively impact workers. Unfortunately, there's a gender gap in almost every industry. In the footwear and apparel manufacturing industry, especially, women make up the vast majority of the workforce, but female representation decreases with the move into leadership ranks.

To meet our target, suppliers must implement strong policies and practices that incorporate gender equity. We measure this target by validating supplier performance on the Gender Equity Self-Diagnostic Tool (SDT), which measures 10 domains of gender equity. In order to reach mature gender equity, suppliers must achieve an overall SDT score of 71% and meet thresholds in each of the 10 domains.

While none of the strategic suppliers reached a mature level of gender equity in FY21, the first year of our five-year target, more than 95% of suppliers met our FY21 milestone to deploy and validate this assessment, develop an action plan and implement actions. We are pleased by the progress strategic suppliers are making to meet this target by focusing on sustainable change.

We know women make up 79% of production operators, yet only hold 52% of junior management and 28% of top management positions. In addition, men advanced to initial leadership roles (team leaders) at 3.5 times the rate of women. With this as our baseline, we know we have to help create access to career opportunities and upward mobility for women in our supply chain by increasingly building gender equitable environments throughout the strategic suppliers' workforce.

To create lasting change, we believe gender equity needs to be approached holistically throughout organizational culture as well as business operations. We are focusing on ensuring equitable policies and practices are in place and set a strong foundation for supporting internal and external talent pipelines. This should help to increase representation of women in leadership and the number of gender equitable factories.

28 This target baselined in FY21 as the tools to measure didn't exist when the target period started. While none of the strategic suppliers reached a mature level of gender equity in FY21, more than 95% of suppliers met our FY21 milestone to deploy and validate the Gender Equity Diagnostic Tool, develop an action plan and implement actions.

50

After acquiring a footwear manufacturing company in Exeter, New Hampshire, in 1974, Blue Ribbon Sports bought a variety of machinery.

Photograph by Jeff Johnson

20

Setting Our Target

In FY20, we built the SDT in partnership with the International Center for Research on Women (ICRW) to measure gender equity at an organizational level specific to the footwear and apparel manufacturing industry. We consulted with a subset of suppliers to gathering their input to help make sure the tool was grounded in real-life experience. ICRW then worked with gender experts and critical stakeholders to bring these practices to life. The tool is now publicly available on the ICRW website and includes supporting materials to help suppliers and others build robust gender equity capabilities.

To lay the groundwork for this target, we focused on working with strategic suppliers to build an understanding of the importance of gender equity. We recognize that every organization is at a different point on their gender equity journey. In FY21, we launched the SDT to enable factories to assess their gender equitable policies and practices and identify areas for improvement. All strategic suppliers completed the assessment, resulting in an average score of 56%, with each strategic supplier acting to improve their policies and practices. As part of the process, suppliers also submitted data on female representation across different levels of leadership.

One of the ways we help suppliers advance gender equity is through our relationship with International Finance Corporation (IFC). IFC brings strong gender equity experience in the manufacturing space, which will help us identify the steps suppliers need to take to achieve our gender targets and allow us to provide direct services to suppliers, including individualized support as well as broader training and knowledge building. In FY22, we plan to launch a talent accelerator pilot in Vietnam, with IFC, to help build the pipeline of women advancing into leadership roles.

Along with IFC, this accelerator will be co-created with three of our strategic suppliers: Huali, TKG TAEKWANG and Ramatex. It will also be supported by the Mekong Development Research Institute. This accelerator is made up of high potential female employees nominated by their managers to learn both hard and soft skills, as well as create a network with other women to help them advance in their careers.

Informed by the first year's SDT data, we are also launching a suite of bespoke trainings with external experts to help support strategic suppliers in their journey to become more gender equitable. Going forward, strategic suppliers will continue to complete the SDT annually and further integrate gender equitable policies and practices in the workplace. To assess performance, we will be looking at each supplier's score and whether they have met all foundational policies and practices.

IFC

The International Finance Corporation (IFC) published a report on the business case for employer-supported childcare in Vietnam that featured four of NIKE's factories.

Feng Tay Factory – Putian, China

We rely on relationships we have developed with organizations like ICRW and IFC to support suppliers on improving their performance. We are also implementing specific programming to enable factories newer to this work have the support they need to create sustainable and long-lasting change. Engaging workers in this process is critical to assessing overall gender equity in a factory, and we are currently working on a tool to solicit worker input on how supportive and gender equitable their experience is at work to help factories to act based on the feedback from their workforce.

We will also continue to utilize external organizations, such as ICRW and IFC, to support knowledge and capability building for suppliers in their journey toward increasing career opportunities and upward mobility for women in their facilities. We've seen interest across the industry as seven other retail brands have piloted the SDT in their supply chains. We're thrilled to lay the groundwork to help advance gender equity goals within our supply chain and beyond.

Spotlight

Ramatex

Ramatex, a vertically integrated textile and apparel manufacturer with over 40,000 workers across six countries, initiated a gender equity program called “Her Program” in 2019. Goals of Her Program include enabling work-life balance in a gender discrimination-free workplace, closing the leadership gap by increasing women in leadership, and highly skilled roles. This program has been expanded to include a full diversity and inclusion vision, where the unique talent of every individual is recognized to foster a positive and respectful workplace culture.

Ramatex used the SDT, along with internal feedback and external experts, to continue building its robust gender strategy. The SDT helped shed light on opportunities for improvement and helped Ramatex benchmark its work to date. After analyzing the results, it updated its long-term strategy to include improving access to safe and convenient transportation and provided sexual harassment prevention training.

Ramatex also launched a strategy to take proactive steps to recruit women in traditionally underrepresented roles by providing training and structured rotation programs to supplement internal recruitment. Since the pilot, Ramatex has seen improved ratios of women in skilled roles and hired its first female mechanic. Ramatex also realized that 97% of illiterate employees were women, prompting it to launch an employee literacy program to help train its workforce.

“It’s not just about winning medals and breaking records. It’s about the journey and the work we do to put things in a better place for each other and for those coming up behind us.”

Shelly-Ann Fraser-Pryce, Track and field athlete

Focus Area

PAY & BENEFITS

FY21 pay equity data

1:1

men/women

1:1

white/U.S. racial and ethnic minorities

Quantitative Target (Employees)

Maintain 100% pay equity across all employee levels on an annual basis

NIKE's total rewards are designed to be competitive and equitable, meet the diverse needs of our global teammates and reinforce our values. Our goal is to support a culture in which everyone feels included and empowered – and rewarded for the success we create as a team.

A personalized and holistic rewards system is essential to attracting, inspiring and developing premier talent. We link pay to company performance, demonstrated and expected individual performance, contributions and impact, and key talent needs for NIKE's long-term growth.

Company performance plays a significant role in our short-term and long-term incentives; individual performance impacts rewards like base pay increases, milestone bonuses and promotions into roles with more scope and responsibility.

Competitive and Equitable Pay

We believe that competitive and equitable rewards go hand in hand while recognizing that pay can be managed and assessed in a number of ways. NIKE annually benchmarks with other leading global companies. We use this data to inform salary investments and adjust the pay ranges and rates that guide our decisions.

During FY21, we raised our minimum hourly rate to $15 for retail store teammates in North America and increased our hourly rates for store employees across EMEA.[29]

29 EMEA stands for Europe, Middle East and Africa.

50

FY16/17 Sustainable Business Report

NIKE published pay equity details for the first time

20

We define pay equity as equal compensation for employees who undertake the same work at the same career level, location, experience and performance. Globally, we assess this across gender, and in the U.S., we also assess this across races/ethnicities. In 2016, we signed the White House Equal Pay Pledge and have developed an ongoing discipline of reviewing our pay practices annually to achieve and maintain pay equity for our approximately 75,000 teammates across all geographies, functions and business units.

Our FY21 pay equity data shows that for every $1 earned by men, women globally earned $1, and for every $1 earned by white employees in the U.S., racial and ethnic minority employees earned $1.

Building Trust Through Transparency

We are deeply committed to helping our employees understand our talent and pay practices. We believe that by providing transparency into our policies and practices, we build trust and accountability – both of which are integral to our culture. During FY21, we hosted a series of compensation sessions with internal groups, including WON, to provide greater awareness of our pay philosophy and to educate employees on how pay is evaluated during key moments throughout their careers. More than 1,600 employees from six countries participated in the compensation sessions, and 95% said they would recommend the session to others.

Qualitative Target (Employees)

Provide competitive and equitable benefits for all employees

We believe benefits should be comprehensive and inclusive. We design our programs and practices to support NIKE's values and goals – considering each component individually as well as collectively. We invest in programs and practices that positively impact our employees' engagement and well-being.

These decisions are informed by NIKE's values, employee insights and feedback, and market data. We're always asking ourselves whether our programs and practices are having the desired impact and if they can be done better, easier or more efficiently.

Tennis Courts at NIKE EHQ – Hilversum, Netherlands

“City of Creation” Room, NIKE Office – Paris, France

Supporting Our Whole Team

A big part of supporting our teammates is listening to our employees to help inform what we offer. As part of our commitment to evolving our benefits, during FY21, we introduced several new and enhanced programs, including:

- A subsidy to help our employees with young children with the ongoing cost of childcare. U.S. NIKE full-time employees, including employees within our retail, distribution center and Air MI locations, receive up to $1,800/year per family to offset the cost of childcare.
- A financial coaching and education benefit for all U.S. NIKE employees to help them reach their goals. We engaged Ernst & Young LLP to offer free, unlimited access to professional financial coaching, as well as comprehensive online resources. In launching this benefit, we partnered closely with our NikeUNITED Networks to market the program and drive adoption.
- Enhanced support to help teammates manage diabetes and lose weight through our engagement with Omada Health. Teammates and adult dependents living with Type 1 or Type 2 diabetes or at risk for diabetes or heart disease can sign up for 1:1 coach support, tools and resources to help build healthy habits that last.

90%

of employees said they are satisfied with the benefits offered to them

Well-being & Mental Health

We continue to build on our belief that encouraging people to live a healthy, active lifestyle sits at the core of NIKE's culture.

Well-being is not a new concept for NIKE. We have always been about maximizing human potential, and that applies to every one of our employees. When we prioritize the well-being of our employees – inspiring and enabling everyone to deliver their best work – we bring our best as a team.

Our approach to well-being is holistic; we strive to support the whole person and incorporate wellness into all aspects of the employee experience. Our well-being strategy is focused on supporting employees' physical, emotional and financial well-being, with bespoke benefit initiatives and programs for each area. Our approach is rooted in a strong foundation of culture, leadership and purpose.

Equally as important as the benefits and resources we offer employees, we believe it's critical to sustain a dialogue with them about the importance of mental health. It is our responsibility to maintain an inclusive, empathetic culture where every employee can be their most authentic self – and that means creating a safe place where we can be vulnerable, ask for help and admit when we're not okay.

As a community, we are deeply committed to helping break down the stigma associated with mental health and promoting habits that nourish mind and body in everyday life. When we think about the future, it's about intentionally building a culture of empathy where everyone can speak up and seek help. We partner closely with our NikeUNITED Network teams to understand the unique well-being challenges facing diverse communities and we provide resources to meet those needs. During FY21, we scheduled dedicated Employee Assistance Program (EAP) sessions with specialized counselors for several of our networks, including Black Employee, Ascend and Nike Military Veterans and more.

Our most senior leaders have been open about their own mental health experience and routines, which has helped advance the dialogue among employees and teams.

NIKE Digital Studios – New York, NY

And so have our elite athletes. Because of our broader connection to the sport community, we have the unique privilege of working with some of the world's greatest athletes, many of whom are outspoken advocates of mental health support. We frequently invite athletes to join employee meetings so our teams around the world can hear first-hand about their personal journey, what inspires them and their experience with mental health.

We now offer all employees and their eligible dependents 20 free sessions with a therapist or counselor, per family member, per year.

NIKE has made significant investments in benefits and initiatives to support the well-being and mental health of our employees and their families.

Across all three pillars of well-being – physical, emotional and financial – we continue to drive awareness and adoption of the tools, benefits and resources available to our teammates globally to really make an impact and support positive outcomes.

We will continue to identify and provide competitive and equitable benefits, tailored to the needs of our employees.

COVID-19 Support

We continue to support our employees throughout the COVID-19 pandemic.

For employees who continued to work from home due to COVID-19 health and safety measures, we provided them with select technology and ergonomic products through a partnership with Staples.

We expanded our COVID-19 Sick Leave Policy, which, in addition to existing paid time off benefits and legally mandated sick leave programs, provides up to two regularly scheduled work weeks of paid sick leave for those experiencing symptoms associated with COVID-19, or needing to take time off to care for their children due to school or childcare closure, and now includes mental and emotional well-being.

We also offered support to meet the unique needs of hard-hit areas. For example, in India, we offered early payout of our Performance Share Plan to support immediate liquidity needs, we enhanced telemedicine and EAP access, and expanded EAP and telemedicine support for family members of our employees who reside in India.

Spotlight

Employee Health and Wellness

Yoga at NIKE WHQ Bo Jackson Fitness Center

Company-wide Wellness Week

To offer our team meaningful rest and recovery amid the challenges of 2021, we closed our corporate offices every Friday in July and for a full week in August 2021. At the same time, we offered our first-line employees time off and other benefits to support their well-being.

Expanded Mental Health Support

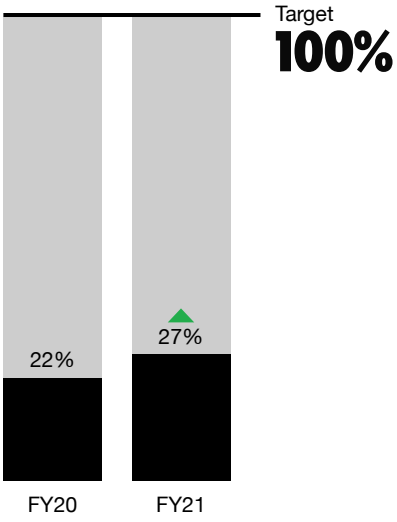
We significantly expanded our mental health resources to provide employees and their families with access to the care and tools they need, when and how they need them.

- **Lyra Health**
  We launched a new engagement with Lyra Health to provide mental health support for our employees in the U.S. The program offers timely access to a high-quality and diverse provider network. In addition to live therapy sessions and coaching sessions, Lyra Health also offers Guided Self-Care and a library of skill-building videos, meditations and activities to support ongoing mental well-being.
- **EAP**
  Employees outside of the U.S., where Lyra is not offered, can take advantage of our EEAP, which offers 20 free counseling sessions for all NIKE employees and their families (per issue, per person) each calendar year. We also offer onsite EAP support at our distribution centers.
- **Headspace**
  Through NIKE's continued relationship with Headspace, a leading meditation app, employees get free access to their full library of guided sessions and resources.
- **Crisis Text Line**
  NIKE supports Crisis Text Line, a nonprofit that provides free 24/7 crisis counseling via text messaging.
- **Mindfulness and Meditation**
  Alongside our fitness facilities and classes at our WHQ, we also offer mindfulness and meditation classes and spaces. We've expanded our virtual offerings for employees throughout the pandemic, and plan to continue hosting virtual sessions for our teams around the world.

Focus Area

HEALTH & SAFETY

% suppliers with Level 3 health & safety maturity[30]



Quantitative Target (Supply Chain)

100% of strategic suppliers are building world-class, safe and healthy workplaces for the people making our products

We believe all people enjoy a fundamental right to the protection of life and health in the workplace. As our global business evolves, NIKE's goal is hygienic and healthy workplaces across our supply chain, which includes those operated by suppliers.

Fostering a Culture of Health & Safety

We believe effective leaders set the ethical tone for the company, hold themselves accountable for safety performance, drive safe behaviors at work and motivate their colleagues to do the same. Effective corporate management and oversight of Occupational Safety & Health (OS&H) implementation at the highest level of an organization enables more effective and sustained health and safety programs and performance.

We strive to go well beyond our foundational expectations and foster a culture of health and safety, underpinned by risk-appropriate organizational capabilities and individual competencies, where leaders and workers collaborate to create a world-class safe and healthy workplace. We do this by adopting, refining and standardizing industry-leading safety management systems and rules and by developing education, training and certification programs, and safety leadership capabilities.

Over five years, we have defined a roadmap for achieving world-class safety performance, tested and piloted programs to create advanced health and safety management systems, and developed new tools to measure individual competencies and leadership capabilities that enable a mature health and safety culture in the workplace.

30 Healthy and safe workplaces: Supplier must reach level 3 safety and health maturity on Culture of Safety Maturity Assessment (COSMA).

Feng Tay Factory – Putian, China

Transformational Leadership

With the Institution of Occupational Safety and Health (IOSH), we have successfully piloted an enterprise-level program with our largest supplier groups to help their company leaders evaluate and improve the effectiveness of existing safety governance structure and safety leadership. We plan to scale this program to all the supplier groups in the Supplier Sustainability Council (SSC) in FY23 and to the remaining in-scope supplier groups by 2025. The SSC is a group of 11 strategic suppliers committed to innovating and scaling sustainability programs to enhance their operational performance and mitigate risk while sharing out best practices in the hopes of elevating worker safety across the sector.

The SSC workstreams, including transformational leadership in health and safety, come to life through the factory group leaders. The program is aimed at enterprise-level leaders and governing bodies that are accountable for the strategic direction and oversight of health and safety of their organization. The program enables these leaders to gain confidence and better understand the key elements of effective corporate health and safety governance, their strategic strengths and areas where they can improve.

50

This photograph taken in 1979 shows Ross Blackman inspecting the NIKE Killshot at the SYTS factory in Seoul, South Korea.

20

Workplace Safety Facilitators

NIKE requires Tier 1 and strategic Tier 2 suppliers to adopt fire prevention and emergency action plans for the protection of workers during normal working operations and emergency situations. Our journey to improve fire safety knowledge and practices among workers and managers started with a collaboration between the Fair Labor Association (FLA) and IOSH. From this relationship, NIKE developed a workplace safety facilitator program to develop soft skills so workers, managers and leaders can deliver peer-to-peer safety conversations on fire safety as well as other safety topics.

Since the program began in 2015, over 100 suppliers have implemented the Workplace Safety Facilitator (WSF) Program, training nearly 9,000 workers on fire safety and facilitating safety programs. The goal of the program is to enable peer-to-peer engagement by having one facilitator per 100 workers and creating a positive safety culture through group and confirmation biases.

Machine Safety Certifications

As we modernize our mode of manufacturing, improving suppliers' capabilities to operate and maintain modern and automated machinery continues to be a top health and safety priority. Our Code Leadership Standards (CLS) require suppliers to implement machine management programs and track their performance against international machine safety standards. Through engagement with internationally recognized safety experts Pilz, we provided advanced machine safety training and certification. Since starting the program in FY18, 97 machine safety practitioners have completed the Pilz training course, with 56 people designated as Certified Machine Safety Experts.

Report Performance

We have developed a Culture of Safety Maturity Assessment (CoSMA) self-assessment tool to assist suppliers in measuring their progress. The maturity roadmap, assessment methodology and CoSMA tool are made available to suppliers through a third-party online training platform, hosted by the Phylmar Academy.[31]

While working closely with third-party consultants, 27% of our in-scope suppliers (30 suppliers) have self-assessed their culture and have met our threshold for building safe and healthy workplaces, with mature management systems now covering more than 295,000 workers in our

31 https://phylmar.learningcart.com/content/Phylmar-Academy.aspx

Spotlight

Learning Communities

Pou Sung Factory – Bien Hoa, Vietnam

The COVID-19 pandemic has required suppliers to be more agile and resilient. Our largest manufacturing countries have facilitated more learning community events focused on health and safety than ever before. The pandemic has shown us the value of sharing best practices, thinking outside the box and exploring an opportunity to connect, learn and make tangible progress for workers and local communities. The learning community is a country-based forum led by a committee of strategic suppliers that meet regularly to address relevant and emerging issues, share best practices and solve common sustainability problems.

For example, during the rise of COVID-19 cases in Indonesia, many healthcare facilities were unable to treat patients due to the limited supply of oxygen. A supplier shared with the learning community that as best practice they had donated oxygen tanks to the local government to supplement the supply. In response, additional suppliers donated oxygen tanks to their community hospitals.

supply chain. The data is validated by worker voice, through a safety perception survey, though COVID-19 headwinds and travel restrictions have limited our ability to validate progress onsite. We are exploring alternative data collection methods, including virtual safety perceptions surveys. In FY21, we completed an effectiveness study on the online training and updated it to include more detailed assessment criteria and case studies on how to use the tool. At the end of FY21, 232 factory personnel, third-party consultants and NIKE internal staff had completed the online training and were able to self-evaluate their health and safety culture maturity using standard methodology and metrics.

In FY21, we began discussion with the International Labour Organization (ILO)'s Vision Zero Fund (VZF), seeking a deeper understanding of its vision, mission and strategy, which focuses on eliminating severe or fatal work-related accidents, injuries and diseases in global supply chains. In March 2021, NIKE participated in the VZF inaugural high-level forum, and we look to expand our relationship and collaboration with VZF, which we feel will help accelerate our compliance strategy and mitigate systemic high-risk issues with suppliers.

More Data

OH&S Data for NIKE Employees and Tier 1 Focus Footwear Factories

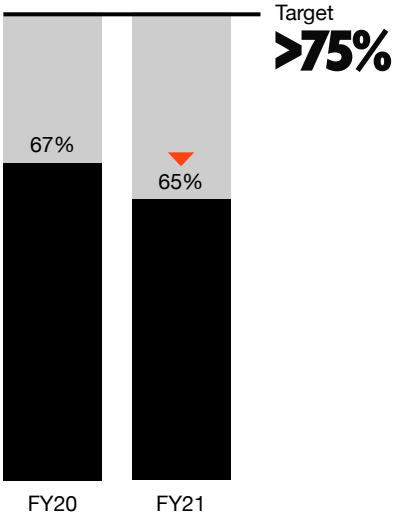
Focus Area

INCLUSIVE CULTURE & ENGAGEMENT

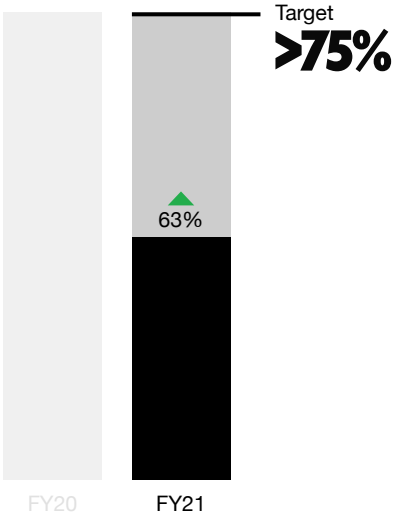
ACG Cinder Cone Jacket

Female-only Yoga Studio in Kabul

Percentile ranking for engagement



Percentile ranking for inclusion



Quantitative Target (Employees)

Top quartile in benchmarked companies for both engagement and inclusion

At NIKE, we want to create and support the culture we need to unleash our full potential to perform at our best. And thus, we are continuously building a culture where employees feel they belong, can be themselves and see themselves as part of NIKE's future.

Two key metrics that we use to evaluate this are the Engagement Index and the newly added Inclusion Index – measured on our annual Employee Engagement Survey. Higher scores for engagement, diversity and inclusion have been demonstrated to correlate with lower turnover and higher productivity. Like many companies, we saw a small decrease in our engagement rankings due to the macro impact of the global pandemic and social and racial justice events in the U.S. Internally, we also faced significant change as a result of an enterprise reorganization and our Consumer Direct Acceleration[32] strategy.

To better understand how we can support our employees through continuous change, we began a series of sensing and listening sessions – made up of focused conversations on the importance of well-being and mental health, and invested in resources such as hiring a director of well-being, and expanding associated benefits to include Lyra Health, Calm and Headspace. We will continue to invest in this top priority for the company.

FY21 was the first year we incorporated the Inclusion Index, as we looked to understand employee sentiment around our culture of belonging. Through our employee pulsing and sensing strategy, we will continue to monitor employee sentiments regarding inclusion as we continue to evolve our approach to meet our employees' changing needs.

In addition to monitoring our progress over time, it's important to note that NIKE compares its results to other companies in our research vendor's database. To be an industry leader in employee experience, NIKE scores should be among the best-performing companies, and our survey results should reflect this.

32 Consumer Direct Acceleration is NIKE's strategy to increase investments in digital technology and simplify consumer construct.

To increase employee engagement in FY21, we:

- Committed to communicating more often about engagement (and what we're doing about it).
- Developed an employee voice program to gather feedback and drive actions more frequently.
- Launched **The Source**, NIKE's digital learning platform, to increase employee development through technology-enabled, on-demand curated learning within critical capability areas.
- Launched **One United Play Learning**, a company-wide initiative to driving change based on survey results. One United Play Learning targets two key pillars: fueling our strategy and elevating the skills of our employees. It is a curated collection of courses, focusing on consumer centricity, digital acumen, and data and analytics.

To improve and promote diversity and inclusion, we:

- Increased representation at all levels of the organization (specifically leadership).
- Created diversity and inclusion learning and development programming.
- Increased communication, visibility and awareness of NIKE's purpose.
- Initiated a diversity and inclusion mentorship program for corporate employees within the U.S.
- Hired a diversity, equity and inclusion director in EMEA and APLA to develop and execute a location-specific strategy centered on representation, education, development and community.

"A mission of mine is to make the spaces that I'm a part of more inclusive. I believe in equality and equity when it comes to sport, when it comes to fitness, when it comes to life. And I want to work with people who also believe and will join me at the forefront of this work."

Ibtihaj Muhammad, Fencer

FlyEase for Kids

Qualitative Target (Employees)

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

At NIKE, our commitment to accessibility and disability inclusion is key to meeting our 2025 diversity goals and will drive innovation in products and services that meet the needs of athletes* in the modern world.

In FY21, NIKE developed an accessibility strategy to cultivate and advocate for an equitable playing field for athletes with disabilities – which accounts for one in five people in the world today.

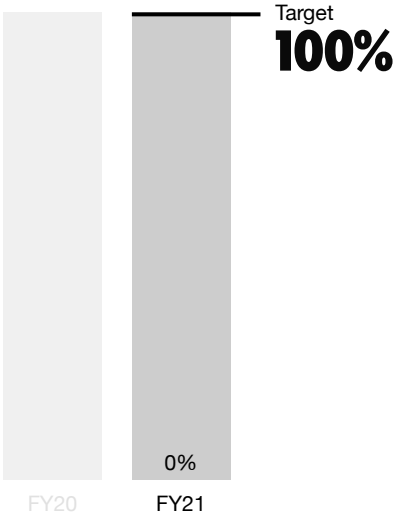
To support our commitments, NIKE set the following goals:

- Increase representation of people with disabilities at NIKE with more inclusive and intentional hiring practices.
- Elevate employee experience through a more flexible, accessible and equitable working environment for employees with disabilities.
- Increase awareness – while destigmatizing the word “disability” by expanding and promoting learning and development opportunities.
- Foster a culture of belonging and inclusion for athletes with disabilities.
- Pursue bold and innovative ideas that align with NIKE’s strategic goals to establish us as an industry leader in disability inclusion.

The NikeUNITED Ability* Network expanded to EMEA to support a culture of belonging and inclusion with athletes who are disabled and create awareness and educate employees.

One of the ways NIKE looked to gauge progress was through external accessibility indices. For example, NIKE scored 90/100 points on Disability Equality Index with Disability:IN. To announce the score and drive awareness, we hosted Jill Houghton, President and CEO of Disability:IN, and held a fireside chat with Tom Clark, Ability* Network Executive Sponsor and President of Innovation. NIKE teammates also participated in several disability inclusion and accessibility panels and the Ability* Network launched its “I Speak” campaign.

% suppliers measuring and improving engagement[33]



Quantitative Target (Supply Chain)

100% of strategic suppliers are measuring and improving the engagement of the people making our products

While most of suppliers have started to measure worker voice in their facilities, none have advanced to the next phase that involves responding to and improving worker experience. We look forward to reporting on progress next year as suppliers begin to enter this next phase.

We want to empower suppliers to engage with and value their workers. We know that higher engagement leads to a more efficient, agile and committed workforce, which results in beneficial outcomes for both workers and the organization. Not only are engaged workers more likely to feel physically and mentally secure, they are also more likely to actively and positively contribute to their work. Now more than ever, engaging and valuing the people who make our products is critical.

Our target focuses first on measuring worker experience through the Engagement and Wellbeing (EWB) Survey, then supporting suppliers in developing and embedding the capabilities needed to respond and improve these experiences. Since 2017, we have been scaling the deployment of the EWB Survey to reach more suppliers.

The two phases of our target include measuring engagement, and then building the systems and capabilities to improve engagement.

33 Criteria for measuring and improving engagement must be met for the factory to count toward the target KPI of measuring and improving. While most suppliers have started to measure worker voice in their facilities, none have advanced to the next phase, which involves responding to and improving worker experience. The target baselined in FY21 and wasn't measured in FY20.

However, measuring worker voice is just the start. Recognizing that no two suppliers are the same or at the same point in their journey, we work to meet them where they are and actively support building capabilities that increase engagement. This approach is foundational to a future where we continue to grow with those suppliers that value and engage their workers.

We also seek to drive supplier-led measurement of worker voice. NIKE enables a standardized approach through our guidelines on best practices in implementing worker voice tools, a process we've developed for survey vendors, and an action planning guide, driving supplier ownership and accountability. We have a robust network of survey vendors that leverage mobile and tablet technology to deploy these surveys digitally, which enables rapid feedback and more potential to integrate into their worker–management communication systems. At the end of FY21, 23 suppliers, representing 83,960 workers, have purchased ongoing subscriptions directly with these companies, and are using them for many features, including the deployment of our EWB Survey as well as deploying digital grievance mechanisms.

We have a suite of tools and supports such as the EWB Action Planning Guide, which helps suppliers develop and implement a process for converting these insights from workers into action and embedding these practices into their HRM systems.

In FY21, COVID-19 continued to present unprecedented circumstances for suppliers and their workforce. Despite this significant resourcing impact, suppliers recognized a need to understand the engagement and well-being of their employees more than ever. We observed suppliers investing in ways of engaging workers safely during COVID-19. This can be observed through a significant increase in remote deployments of our EWB Survey using smartphones. For example, in FY21, 85% (65 out of 74) of the deployments were remote (2019: 52% remote).

The EWB Survey was conducted in 71 strategic supplier locations in FY21, exceeding our annual goal of 59 suppliers. Since May 2017, the EWB Survey has been deployed at 85 unique factories, representing more than 490,000 workers.

Not only will we look to build the right tools and processes to support an inclusive culture and engagement in our supply chain, but we will continue to tap into survey insights to help prioritize and develop a more data-driven approach. We seek to identify key trends that can be shared with suppliers, building knowledge across our supply chain and highlighting opportunities to further build capabilities, together, as we progress toward 2025.

50

Phil Knight displays his apparel-making skills in this set of photographs taken in December 1982. Assisted by NIKE seamstress Marie Franks, Knight is cutting the pattern and sewing a pair of NIKE warmup pants.

20

Worker Voice

We have embedded worker voice across our programs to make sure workers' experiences guide our actions and understanding. We have also found that enabling supplier ownership as a guiding principle to our work is key to help making long-term positive change for workers. By having suppliers build their capabilities across human resources and health and safety, we see more long-term, positive impacts on workers. Over the past decade, these two values have guided our approach to worker voice, enabling suppliers to take steps to help ensure workers are protected, valued, safe and have safe, anonymized ways to provide feedback to management and third parties through digital grievance channels.

Anonymous Worker Feedback
Suppliers can provide anonymized, aggregated data to NIKE, giving suppliers ownership of their data (and related actions) while enabling greater trust between the supplier and NIKE. To date, 100% of suppliers have shared their data with NIKE, which has enabled us to analyze it in depth to understand key areas of strength and opportunity across our supply chain and identify areas where further support is needed. For example, analysis in 2019 on our EWB Survey data set elevated our focus on understanding the root causes of concerns on sexual harassment as well as worker perceptions of safety in the factory. In FY21, Shift Project, a well-respected human rights organization, highlighted NIKE's EWB program as a best practice in their study outlining the opportunities of technology-enabled worker voice tools.

Root Cause Analysis
Through the EWB Survey data analysis, we identified a cluster of suppliers in Vietnam and Indonesia that reported higher rates from workers on concerns around sexual harassment. We worked with these suppliers to engage directly with the ICRW to do a deep dive analysis on the root causes and mitigations of sexual harassment in an extensive, year-long process. The aim was to create an environment where workers are treated fairly by establishing more transparency and accountability.

In addition, ICRW helped create more awareness of the relationship between gender power imbalances and how elevating more women into leadership roles can help address this problem. It focused on helping suppliers assess the effective implementation of policies by engaging deeply with workers and getting a sense of how well workers

Workers inspect new formed sheet of air bags

Nike Air Manufacturing Innovation Facility – Dong Nai, Vietnam

understand the topic and related policies and processes. This worker-centric approach identified actionable ways suppliers could encourage reporting on harassment, improve grievance reporting mechanisms and strengthen their trainings.

Finally, suppliers worked with ICRW to understand how to increase trust in their grievance channels by promoting these channels to workers, encouraging their use and confidentiality, and ensuring feedback is reported to employees so they know actions are taking place.

Safety Perception Surveys
As suppliers strive to move beyond meeting NIKE's foundational expectations and foster a culture of health and safety, we will deploy a safety perception survey to validate leadership and worker engagement in safety programs and processes, and training and development opportunities.

More Information

See the Health & Safety section of this report

Spotlight

Supplier Compensation

Jordan 1 Retro High Bloodline

We believe that a skilled, valued and engaged workforce is key for growth and sustainability. NIKE is working with suppliers around the world as they seek to develop strategic compensation capabilities (such as competitive wage and benefits systems that progressively meet their employees' basic needs, including some discretionary income), because every employee has the right to a standard of living that adequately supports them and their families. We define our standards in our Code of Conduct (the Code) and Code Leadership Standards (CLS), which align to the FLA's standards on fair compensation.

Our Approach

In 2015, we started engaging our strategic suppliers to develop new compensation and benefit models. We created a hands-on pilot with a supplier in Thailand, synthesized our learnings in collaboration with the University of California at Berkeley's Institute for Research on Labor and Employment, and began facilitating shared learnings across our strategic suppliers. Since then, we've transitioned from testing new ideas to exploring opportunities for scale. We now create forums to help facilitate the sharing of best practices across strategic suppliers and to understand their common challenges in enabling competitive pay. In doing so, we help suppliers assess the different capabilities needed to enable mature compensation approaches as part of their overall strategic HRM systems. Best practices include having integrated IT systems, benchmarking with the local labor market, aligning incentives and incorporating worker voice.

Visibility Is Key

Enhancing our visibility into worker take-home pay and supplier compensation structures through our relationship with the FLA has strengthened this work even further. By the end of FY20, 13 of suppliers' facilities in six different countries (China, Vietnam, Indonesia, Malaysia, Honduras and El Salvador) had completed the FLA's wage data collection tool, which allows suppliers to evaluate their wage data relative to external local living wage benchmarks where available, such as legal minimum wage, national poverty lines and estimates of living wages.

To supplement the FLA data, we've worked with external organizations to secure data on local apparel and footwear manufacturing wages in key countries. This research helps inform our understanding of wages in our supply chain, in general, and how and where to focus our support for suppliers in developing their compensation systems.

NIKE North America Logistics Center – Memphis, TN

We have now scaled our wage data collection to 103 strategic suppliers that manufacture 80% of NIKE's product by volume and employ over 700,000 workers. For each of these suppliers, we have compared their wage data to external benchmarks in order to assess progress toward fair wage as defined in our CLS. We have found these suppliers have an average gross pay of 1.9 times the minimum wage (excluding overtime) across 13 countries. On average, these suppliers pay 1.7 times the applicable national poverty line (where available).[34] In addition we found that 53% pay above applicable living wage benchmark(s) where available.[35]

To supplement the current benchmarks, we also work with external organizations to secure data on local manufacturing wages in the apparel and footwear industry, along with other industries in key countries. This research helps inform our understanding of wage competitiveness in our supply chain, in general, and how and where to focus our support for suppliers in developing their compensation systems.

Looking Ahead

Beyond analyzing wage data, we will continue to work with factories to advance their human resource capabilities to attract, protect, retain and develop talent. Strategic and fair compensation is a key priority that we will continue to articulate to suppliers as part of our broader work on HRM, and in doing so, we emphasize two important elements – supporting workers' livelihoods and remaining competitive employers of choice in local labor markets.

As we make progress on these approaches, we also encourage suppliers to provide anonymous feedback on our business practices through Better Buying's annual Purchasing Practices Index survey. We use this survey to hold our business teams accountable in strengthening and improving responsible business practices in our supply chain. We will also continue to strengthen our relationships with civil society organizations in key regions, and particularly as it relates to the important connection between freedom of association and wages.

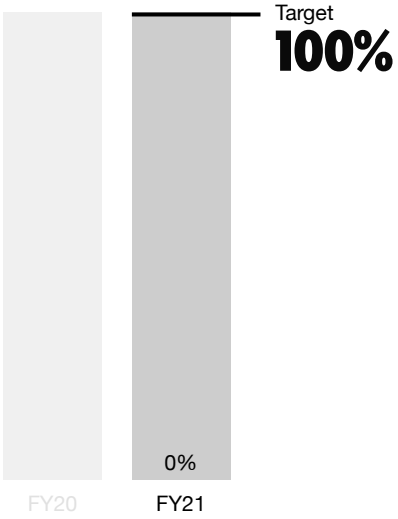
34 Represents 39 factories. National poverty line available in: Vietnam, El Salvador, Mexico, Thailand and Turkey based on FLA compiled poverty lines benchmarks.

35 Represents 51 out of 97 suppliers where living wage benchmarks are available. Pay is average net pay, excluding overtime. We used the following benchmarks where available, and a composite where multiple benchmarks are available: Global Living Wage Coalition, Asia Floor Wage; Wage Indicator Foundation, Cost of Living Estimate (Turkey), Living Wage Estimate EIL-SV (El Salvador).

Focus Area

EDUCATION & PROFESSIONAL DEVELOPMENT

% VPs completing training



Quantitative Target (Employees)

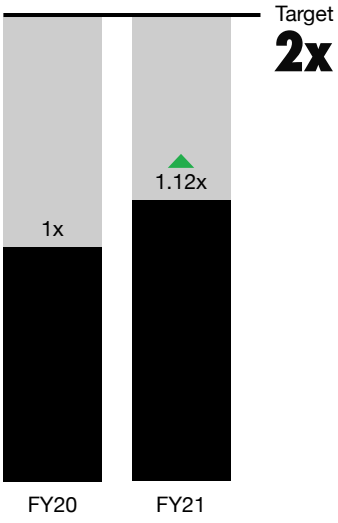
100% of Vice Presidents complete and be credentialed on Inclusive Leadership education

At NIKE, we are implementing a holistic diversity and inclusion curriculum to further a culture that fosters trust, accountability and allyship.

In partnership with the University of Southern California, we launched a robust diversity and inclusion curriculum covering topics such as anti-racism, racial inequity and micro-aggressions. To date, over 350 leaders from our NikeUNITED and ConverseUNITED Networks have participated in a pilot program – with it being rolled out to the entire organization in late 2022.

In addition, our Vice President Leadership Team are now required to complete content to build awareness and grow deeper knowledge on how to best mitigate unconscious bias in the workplace. In FY21, we provided the Vice President Leadership Team and Human Resources business partners with intensive training on effective and compliant use of diversity and inclusion data to advance representation. Additionally, they participated in Inclusive Leadership training, which was developed in collaboration with Northwestern University. Those on the credential track received their certificate in FY22. The content was designed in the U.S. and specifically addressed race and social justice issues prominent to this geography.

$ invested on professional development



Quantitative Target (Employees)

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

At NIKE, we strive to promote equity, opportunity, belonging and an inclusive culture. This work does not, however, replace our talent management processes and professional development opportunities that support growth for all teammates in their careers.

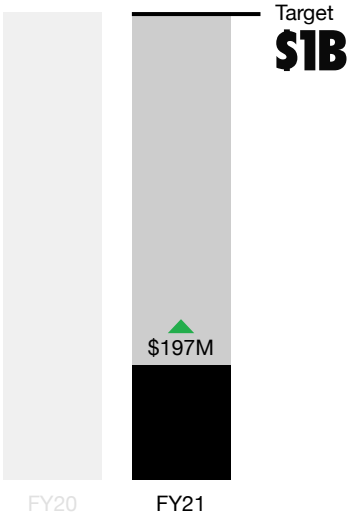
We continue to invest in our talent through offering professional development opportunities hosted by various external organizations, including:

- McKinsey & Company Executive Leadership Program
- The Executive Leadership Council (ELC)
- Hispanic Association for Corporate Responsibility (HACR)
- Leadership Education for Asian Pacifics (LEAP)
- Out Leadership
- Advancing Women Executives (AWE)
- Stanford Women's Leadership Development Program
- Stanford LGBTQIA+ Executive Leadership Program
- Center for Creative Leadership (CCL)

Focus Area

BUSINESS DIVERSITY & INCLUSION

$ spent on diverse suppliers



Quantitative Target (Business Suppliers)

$1 billon cumulative spend on diverse suppliers

At NIKE, we feel that our commitment to business diversity and inclusion (BD&I) is the right thing to do as it supports our ability to deliver strategic business results. During FY21, NIKE defined an enterprise-wide procurement strategy, drove awareness and gained support from executive leadership.

Our strategy is based on three critical pillars:

- **Drive Accessibility and Development** – expand visibility to diverse suppliers and help shape or build supplier capabilities
- **Fuel Demand** – engage and educate our leaders and buyers across NIKE to stoke demand and embed BD&I into their objectives
- **Establish Internal Structure** – build the team and design the processes, tools and metrics required to deliver within Procurement

To increase spend on diverse suppliers, NIKE:

- Established relationships with nine supplier diversity councils globally to increase connection with certified diverse suppliers and collaborated with 10 companies to benchmark, leverage best practices and inform targets.
- Activated the BD&I Portal by SupplierGATEWAY, a diverse supplier registration portal, in FY21 to establish a direct connection between suppliers and buyers (8.5% of total suppliers are currently diverse) and identified four areas with the most diverse supplier growth potential (Real Estate, Technology, Brand Marketing, Professional Services).

50

Rosalyn Bryant stands on the infield at Hayward Field in Eugene, Oregon, during the 1976 Olympic Track and Field Trials.

Photograph by Jeff Johnson

20

- Launched **The Academy** in the U.S. to amplify the BD&I strategy and accelerate the capabilities of diverse suppliers so that they grow in their relationship with NIKE, with the aim of expanding globally. Once graduated, our diverse suppliers will join a network of Academy alumni that will empower them to pursue additional business growth opportunities.
- Began incorporating BD&I contract clauses in service agreements with suppliers in both EMEA and Converse.

This commitment to supplier diversity was demonstrated across the organization in FY21, including, for example:

- NIKE actively engaged in the search for a presentation skills training supplier for our Global Procurement team as we sought to be intentional in our sourcing. Through the SupplierGATEWAY, we identified Perspectivity, a minority-owned training and public speaking business that aligned well with our culture given its deep knowledge and experience working with other Fortune 50 companies. Perspectivity's program received outstanding survey reviews, with most employees expressing that they will be able to immediately apply the learnings directly.
- NIKE often works with general contractors who engage subcontractors when building out new NIKE Direct stores. By expanding its work with diverse suppliers both on the general contractor and subcontractor level, NIKE can support more minority-owned suppliers. This approach was piloted with the NIKE by Williamsburg store build-out, where 40% of contractors NIKE hired were minority-owned businesses – demonstrating its potential.
- When NIKE repurchases shares, it looks to licensed institutions for assistance with the repurchases. The program allows these institutions to engage with NIKE in other capital market activities. NIKE engaged a smaller diverse supplier in its August 2021 repurchase rotation and this allowed NIKE to begin to build a long-term sustainable relationship with a diverse organization in the capital market arena.

Our strategy to expand and grow the diverse supplier base resulted in a movement of $197 million of NIKE's supplier spend in FY21 to diverse suppliers.

Additional Priority Areas (Employees)

OCCUPATIONAL HEALTH & SAFETY

Excess material being recycled from Air Manufacturing

Eagle, NIKE WHQ – Beaverton, OR

Our approach to Occupational Health & Safety (OH&S) rests on several foundational pillars that we use to monitor our facilities' adherence to our foundational expectations:

- NIKE's Environment, Health and Safety (EHS) Policy
- NIKE's Code of Conduct
- NIKE Code Leadership Standards
- Local laws wherever we or suppliers operate

Certain NIKE owned and operated facilities undergo external audits and internal assessments. When those processes reveal gaps in OH&S standard implementation, we implement management plans and develop tools to address and correct those problems.

NIKE Owned and Operated Facilities

The continued response and focus on mitigating the spread of COVID-19 remained a priority in FY21 with regards to the health and safety of our employees across all functions and geographies. We continued to follow and communicate guidance provided by the CDC as well as the advice of health experts to adjust the ever-evolving COVID-19 trends and risks. We put in place robust health and safety measures that included:

- Developing a comprehensive risk assessment, infection control plans and employee education campaigns
- Staffing a team of fully dedicated contact tracers
- Applying rigorous sanitation and cleaning protocols
- Sourcing and distributing over 1 million NIKE face coverings to teammates worldwide
- Facilitating access to COVID-19 testing
- Offering onsite vaccination clinics in collaboration with local public health agencies

Beyond the pandemic response and in the pursuit of continuous improvement, we also expanded our EHS Management system to develop enhanced EHS Audit tools that were piloted across various retail, distribution center and Air MI operations. In partnership with NIKE's Responsible Sourcing and Manufacturing teams, we also piloted the industry-leading Social Labor Convergence Program's (SLCP) EHS self-assessment module and verification at select global logistics operations. We launched a centralized global chemical management system to provide our employees with electronic access to Safety Data Sheets, and to recognize, evaluate and address occupational health and safety risks associated with chemicals and materials.

We installed occupational health clinics, staffed with medical professionals and injury prevention specialists, to not only respond to onsite injuries incidents but also to provide education and guidance on preventative health measures, with a focus on reducing ergonomic-related injuries associated with our most common injury type related to repetitive strains and sprains. Despite the global pandemic, NIKE maintained its focus on new facility construction and existing renovation efforts across the globe while maintaining world-class low injury rates.

Looking Ahead

With a focus and emphasis on Life Safety programs and management systems, NIKE will establish cross-functional and global processes to elevate our standards and playbooks associated with emergency action, fire safety, medical response and first aid and occupational health management. Continued socialization and launch of our global office safety program, as well as our global building and construction safety program, will continue across our key cities. As the pandemic continues, we will maintain our goal that all employees receive and maintain their vaccination status as a key priority.

More Data

OH&S Data for NIKE Employees and Tier 1 Focus Footwear Factories

IN BUSINESS AND SPORT

At NIKE, we believe a world-class supply chain is grounded in standards that demonstrate respect for the environment, the people who make and move our product, and the principles of a healthy and safe workplace.

Pou Sung Factory – Bien Hoa, Vietnam

NIKE Wings Distribution Center – Laakdal, Belgium

We work directly with suppliers on improving their manufacturing conditions and minimizing negative impact to workers, local communities and the environment.

We launched our Code of Conduct for suppliers in 1992, including a commitment to provide suppliers with expertise and resources to achieve compliance. We continue to evolve and expand our standards and programs to drive improved outcomes for workers in our supply chain and communities where suppliers operate and enhanced value for NIKE and suppliers.

In FY21, we embarked on the most aggressive expansion of our foundation expectations program to date. Our Code of Conduct was updated with new expectations that expanded the scope into new areas of our supply chain while significantly accelerating the timeline for all in-scope facilities to meet our foundational expectations by 2025.

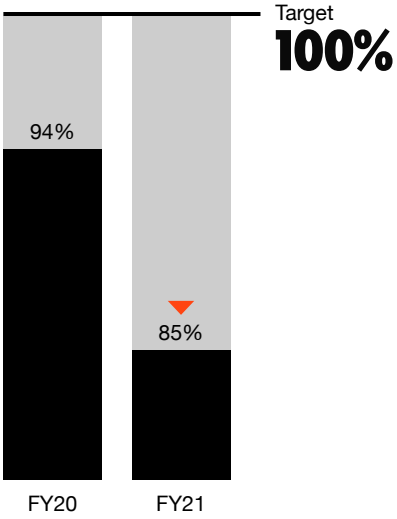
Focus Area

FOUNDATIONAL EXPECTATIONS

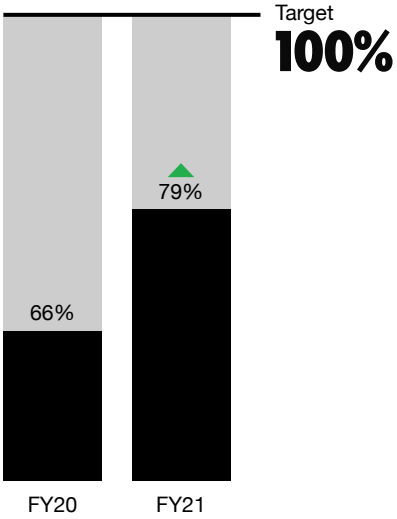
NIKE One Central – Berlin, Germany

NIKE European Logistics Center – Laakdal, Belgium

% compliance w/ foundational expectations



% of facilities measured for compliance of anticipated total scope



Quantitative Target

100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards, demonstrating respect for the rights of their workers and communities where they operate

Evolving Our Program

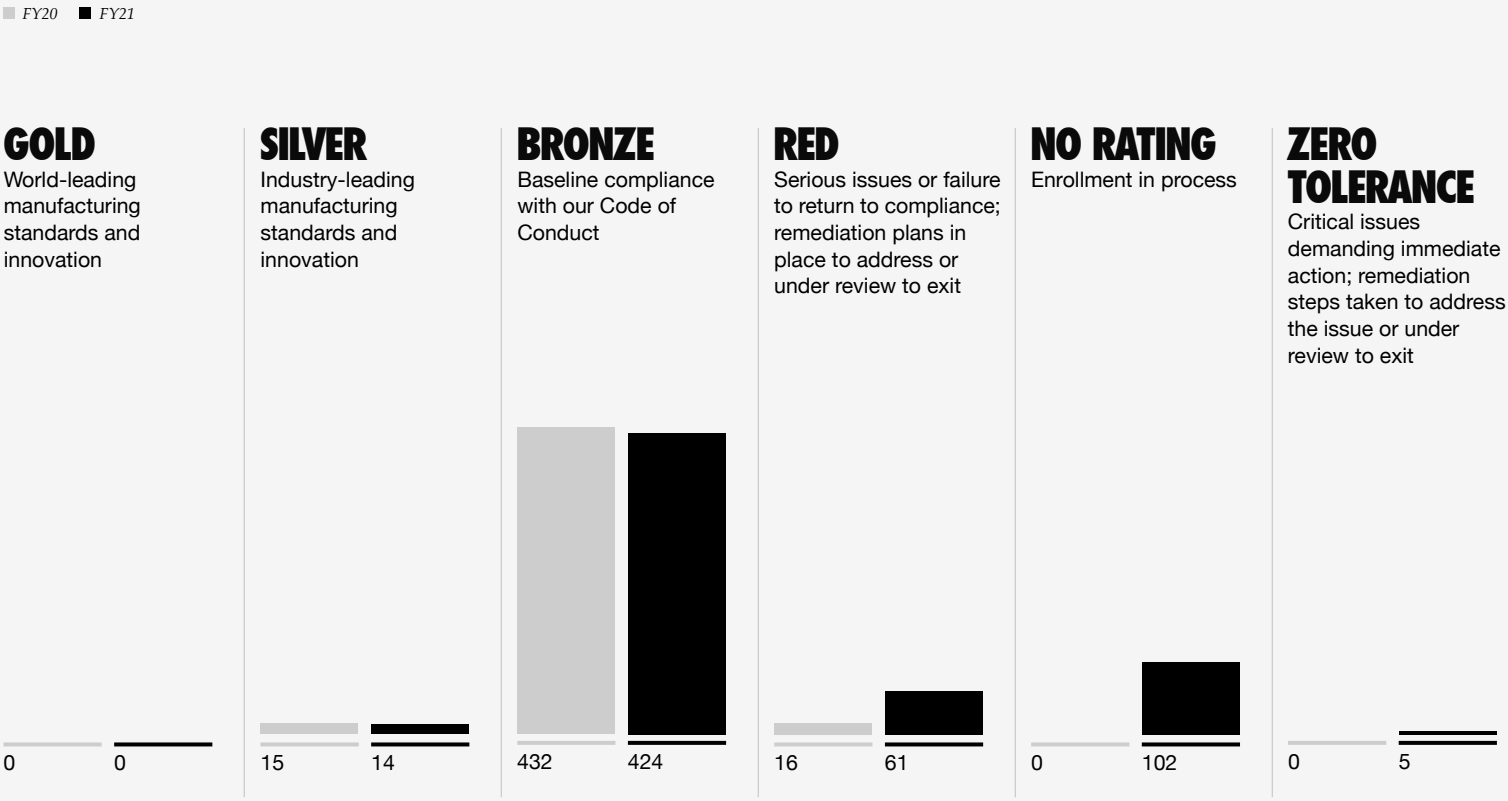
In FY21, we continued to evolve, strengthen and expand our foundational expectations with suppliers to better align with our 2025 targets. Some key areas strengthened include:

- New expectations for suppliers to develop and share their own internal Code of Conduct.
- Strengthened expectations on identifying and addressing forced labor, child labor and freedom of association.
- Added Construction Safety and Powered Industrial Trucks Code Leadership Standards.
- Added Greenhouse Gas Emission Code Leadership Standards to support commitments made by NIKE in the United Nations Framework Convention on Climate Change (UNFCCC) and in support of NIKE's carbon reduction targets. We also updated our Air Emissions Code Leadership Standards to prepare for the adoption of the Zero Discharge of Hazardous Chemicals (ZDHC) Air Emissions Guidelines.

We continue to rate suppliers on our color-coded rating scale. Our Bronze, Silver and Gold ratings remain the same. A Bronze rating indicates foundational compliance with NIKE's Code and CLS. Silver signals that a facility is enhancing its sustainability capabilities as a business driver within our industry. Gold indicates NIKE would consider a facility to be world class in sustainability in any industry.

Previously, our below-compliance ratings were coded Yellow or Red. We have removed the Yellow rating and added a zero-tolerance rating, to differentiate compliance findings more clearly.

Sustainable Manufacturing & Sourcing Index (SMSI): Factory ratings



Transitioning to Common Industry Assessments

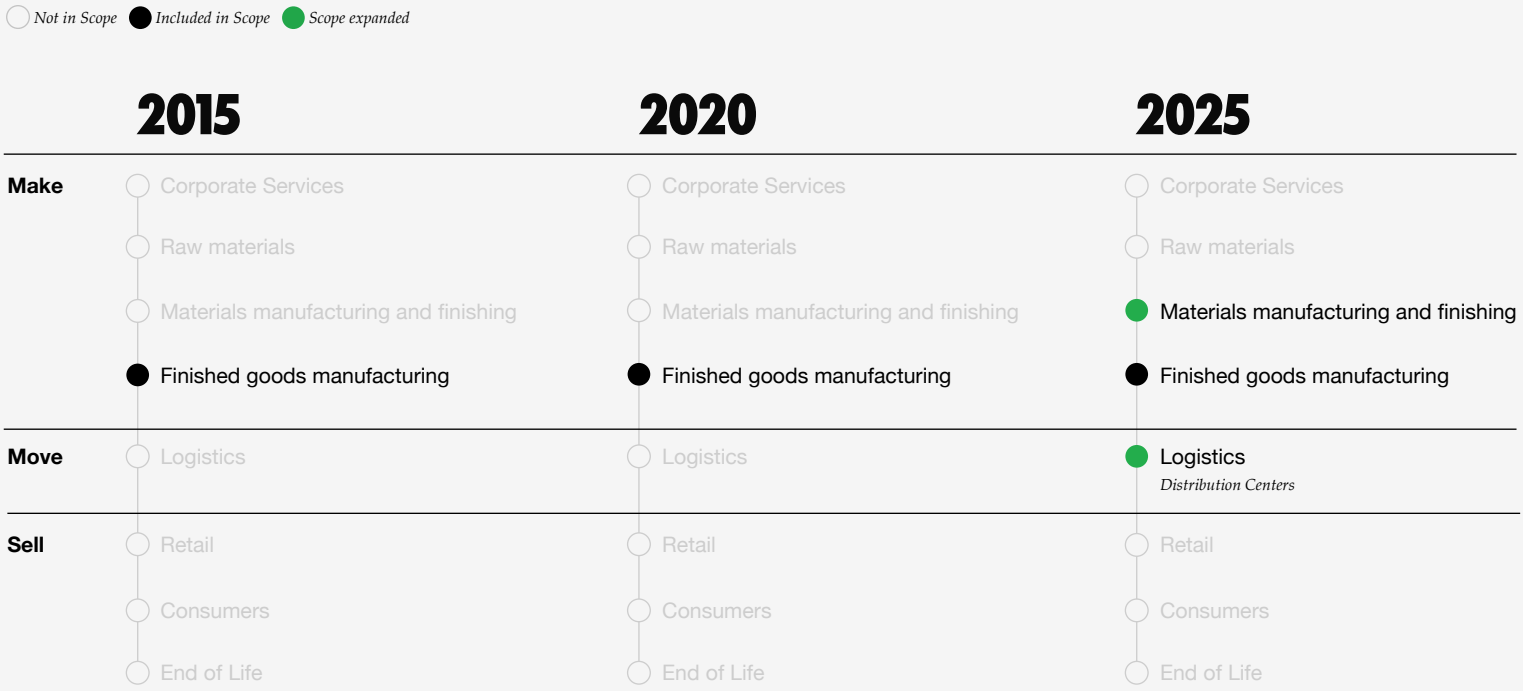
NIKE believes an industry approach will continue to be a critical lever to drive positive impact. In support of this vision, we have continued to actively engage in industry solutions to evaluate facility performance through the SLCP, the Sustainable Apparel Coalition (SAC) and ZDHC. This work enables consistent industry measurements of facility performance and reduces resources required to monitor performance so they may be redirected to improving conditions for workers and the environment.

In FY20, we worked with SAC and SLCP to build common industry assessments on environment, labor, and health and safety, which reduce duplication and audit fatigue for suppliers working with multiple brands. In FY21, we accelerated our transition to using common industry assessments.

Developing Our Expanded Scope

In FY21, we announced the expansion of our compliance program to in-scope material suppliers supplying approximately 90% of our footwear uppers and apparel materials and focus distribution centers representing at least 80% of volume, as well as to our NIKE owned or operated manufacturing facilities (Air MI). We began assessing sites in the expanded scope in FY21 and expect to complete assessing the majority of our remaining sites in FY22.

Increasing Scope: Foundational Target



Remediation Program

At NIKE, we seek to work with suppliers that share our commitment to workers, the environment and the communities they operate in. However, we also recognize that in some cases, committed suppliers struggle to fully comply with our foundational expectations. When a non-compliance is identified, a systematic approach is key to sustainable remediation. To better support suppliers in their efforts to improve working conditions, we work with third-party service providers to design programs that provide the tools needed to enable suppliers to meet and importantly, to sustain, compliance with our foundational expectations.

NIKE Adapt Distribution Center – Memphis, TN

Experience has taught us that without a systemic approach to remediation of issues, improvements are often temporary, and these issues resurface in future years. To address this, we have designed a program that provides third-party support for suppliers to develop holistic remediation plans that seek to fully address the root causes driving the non-compliance and validates that a thorough approach was taken to implement systems needed to prevent future non-compliance through an onsite verification visit. This approach is being piloted with six Tier 1 suppliers and will scale in FY22.

As we extend monitoring against our foundational expectations deeper into our supply chain with materials suppliers, we also recognize that additional support may be needed to build capabilities to own and manage compliance with our foundational expectations. We have engaged with a third-party service company to create training content on some of the most common areas of non-compliance as well as training content to support suppliers in identifying the right people within their organization to own and drive improvements of systems to support foundational performance. The program also offers in-depth, one-on-one engagement with each supplier to build comprehensive project plans designed to level up systems needed to achieve and maintain compliance with our foundational expectations. This program was piloted with 10 suppliers in FY21 and will scale to in-scope Tier 2 suppliers in FY22.

Capacity Building for Compliance and Remediation

We have built targeted approaches to enable suppliers, focus distribution centers and NIKE owned and operated manufacturing facilities (Air MI) to meet our foundational expectations, as well as to transition to industry assessments, and we have designed and deployed capacity building programs.

Finished Goods Suppliers and In-Scope Materials Suppliers
As we evolve supplier expectations, we have also enhanced supplier access to training and capability building to improve management systems, adopt technical improvements in environmental, labor, health and safety standards, and to sustain those improvements.

We are partnering with Better Work, a joint program of the ILO and IFC, which provides assessment and remediation programs to finished goods suppliers located in countries with active Better Work programs. In FY21, 33 factories were assessed using Better Work Factory Services to assess foundational performance.

Focus Distribution Centers
To support the inclusion of focus distribution centers (DCs) in our foundational expectation target for the first time, we updated our standards to meet the needs of our DCs, increased supplier awareness of standards through training and engagement, assessed DCs against standards using industry tools and launched a remediation management program to support DCs in addressing issues surfaced through this process. Looking ahead, we are focused on scaling assessment tools to additional DCs and evolving remediation approaches.

NIKE Owned or Operated Manufacturing Facilities (Air MI)
We continued to invest in comprehensive safety program upgrades and management systems, formalizing a safety steering committee and governance, investing in upgraded machine-specific lock-out and tag-out procedures, and formally separating pedestrians from mobile equipment in our facilities. We also initiated a comprehensive internal audit of all machine safety in manufacturing equipment.

Spotlight

Employment of Foreign Migrant Workers

Chang Shin (VJ) – Dong Nai, Vietnam

At NIKE, we have a responsibility to conduct our business ethically. Hiring and employing foreign migrant workers carries heightened risks of forced labor due to the complex network of actors throughout the recruitment and employment process. Understanding this complexity, NIKE has adopted a holistic approach to address issues to which foreign migrant workers are particularly vulnerable. This includes strengthening our standards and expectations, identifying risks, working with global and local cross-industry, multi-stakeholder organizations and proactively advocating for our work at global, regional and local levels.

We believe the adoption of the Employer Pays Principle, which prohibits workers from paying fees for their employment, is critical in helping eliminate forced labor risks in our supply chain, the industry and beyond. As a member of the Leadership Group for Responsible Recruitment (LGRR), an initiative of the Institute for Human Rights and Business, NIKE shares the organization's aim to drive positive change in the international recruitment industry, starting with advocacy to governments and organizations for the adoption of the Employer Pays Principle. In March 2021, we updated our Code and CLS to drive clarity on expectations for our facilities about the types of fees that are prohibited.

NIKE recognizes the value in providing robust resources for suppliers to identify risks in their operations and build capabilities to recruit workers more responsibly. Building on the regional trainings offered to suppliers since FY19, in FY21, NIKE worked with the Responsible Labor Initiative (RLI) to deliver the Responsible Recruitment Due Diligence Toolkit training to all strategic materials suppliers in Taiwan. This training equips suppliers with knowledge and practical tools to conduct responsible recruitment due diligence, and includes post-training coaching and consultation to identify gaps in recruitment systems, develop sustainable improvements plans and prioritize them for implementation.

In FY19, NIKE launched Verite's CUMULUS Forced Labor Screen™ in Malaysia, a due diligence tool to help identify risks related to the recruitment of foreign migrant workers by suppliers. Since then, we have expanded use of the tool to all remaining Tier 1 and strategic Tier 2 suppliers hiring foreign workers in countries and regions including Thailand, Taiwan, Japan, Jordan, Egypt, Korea, Mexico, Argentina and Brazil. This process helps us identify risks and opportunities to further support suppliers and their recruiting agents in implementing best practices and serves as an ongoing tool to monitor the effectiveness of programs in addressing and minimizing risks related to forced labor.

NIKE believes addressing critical human rights risks, such as forced labor, often requires collective action. We have long worked with multi-stakeholder and external organizations such as the FLA and the ILO's Better Work Program to address labor risks in our supply chain. Through our engagement with these and other organizations, we work to address a wide range of human rights risks, including those related to forced labor.

For example, in FY21, we collaborated with ILO Better Work in Jordan to work toward the elimination of pregnancy testing in foreign migrant workers' home countries and enhancing workers' awareness on prohibition of pregnancy testing and any form of verbal abuse. In addition, we also supported Better Work in its delivery of several trainings to the workers of suppliers, in order to enhance a higher degree of psychological well-being, mental health and improved workplace communication.

In FY21, NIKE also began a Strategic Partnership Program with Issara Institute in Thailand. All NIKE Tier 1 and Tier 2 suppliers operating in Thailand that employ foreign migrant workers will have access to the program enabling onsite support, expert consultation and ongoing engagement with workers and supplier management. At the core of the program is worker voice, where both foreign and local workers can provide feedback or concerns through multiple channels managed by Issara. This work focuses on building trust with workers to self-identify gaps and empowers suppliers to strengthen human resources systems to address issues, with a focus on issues impacting foreign workers.

50

FY05/06 Corporate Responsibility Report

NIKE was the first in our industry to publish a list of our contract factories

20

Remaining Grounded in Best Practices

As we evolve our program, we maintain best practices that are key to driving meaningful impact for our foundational expectations.

Business Integration

Our foundational expectations are embedded in our core business practices and are codified in our Code and CLS. We focus on building long-term relationships with suppliers that share our values, which supports better experiences for workers and improved environmental practices.

Supplier Lifecycle

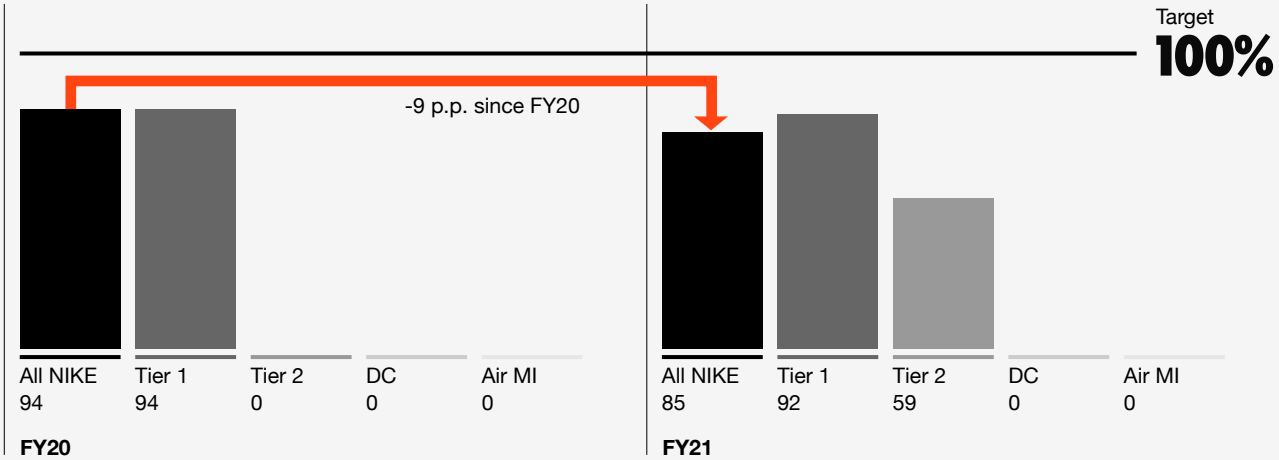
We then integrate compliance with our Code and CLS throughout the supplier lifecycle and supplier management led by our sourcing teams.

- **Onboarding:** Potential new suppliers are subject to a New Source Approval Process. The process evaluates the risks of starting a relationship within a requested country and requires additional approval for locations in countries identified as high risk. Suppliers must receive an overall Bronze audit rating – our base acceptable level – prior to beginning full production.
- **Ongoing:** Once a supplier is approved, we monitor compliance with our Code and CLS through regular announced and unannounced audits conducted by internal and external parties. Suppliers are expected to review and remediate audit findings to maintain their overall Bronze rating.

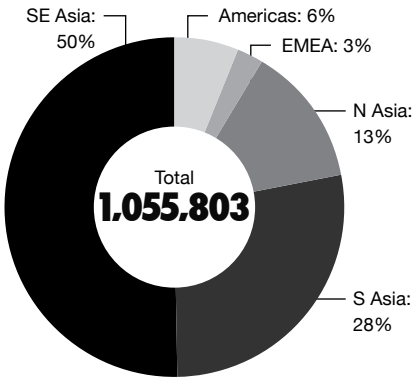
  We investigate all allegations of non-compliance with our Code and CLS. In situations where improvements are required, we take a collaborative approach to working with supplier managers to verify corrective actions are taken, problems are remediated and that the managers have onsite verification. Should a supplier fail to remediate issues, they will be subject to review and sanctions, including potential termination of the supplier relationship.
- **Divest:** If the relationship with an existing supplier is terminated, resulting from poor performance against our foundational expectations or other reasons, our responsible exit process is triggered. This includes evaluation of the risks to NIKE, the workers, the local community and the environment associated with the upcoming divestment. We take this process seriously. It includes a reduction in production orders over a determined length of time to create the lowest amount of disruption to a business and workers that is possible under the circumstances. In higher-risk situations, multi-stakeholder working groups develop and monitor an exit plan to manage the risks identified.

Foundational Target Performance

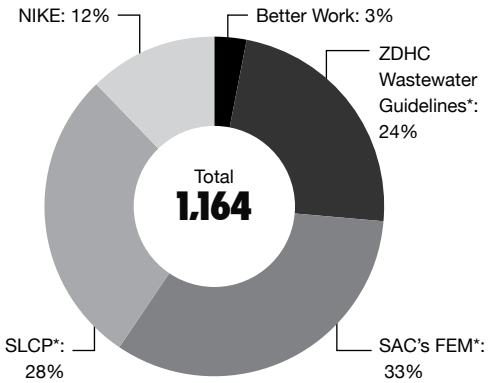
% compliance with foundational expectations



Worker count



Audit count



Monitoring Progress

In FY21, finished goods suppliers onboarded common industry assessments while materials suppliers, distribution centers and NIKE owned and operated manufacturing facilities (Air MI) conducted their initial common industry assessments against our Code and CLS. As a result, we saw a downward shift in our ratings from 94% compliance to 85%, which was anticipated as part of the scope expansion.

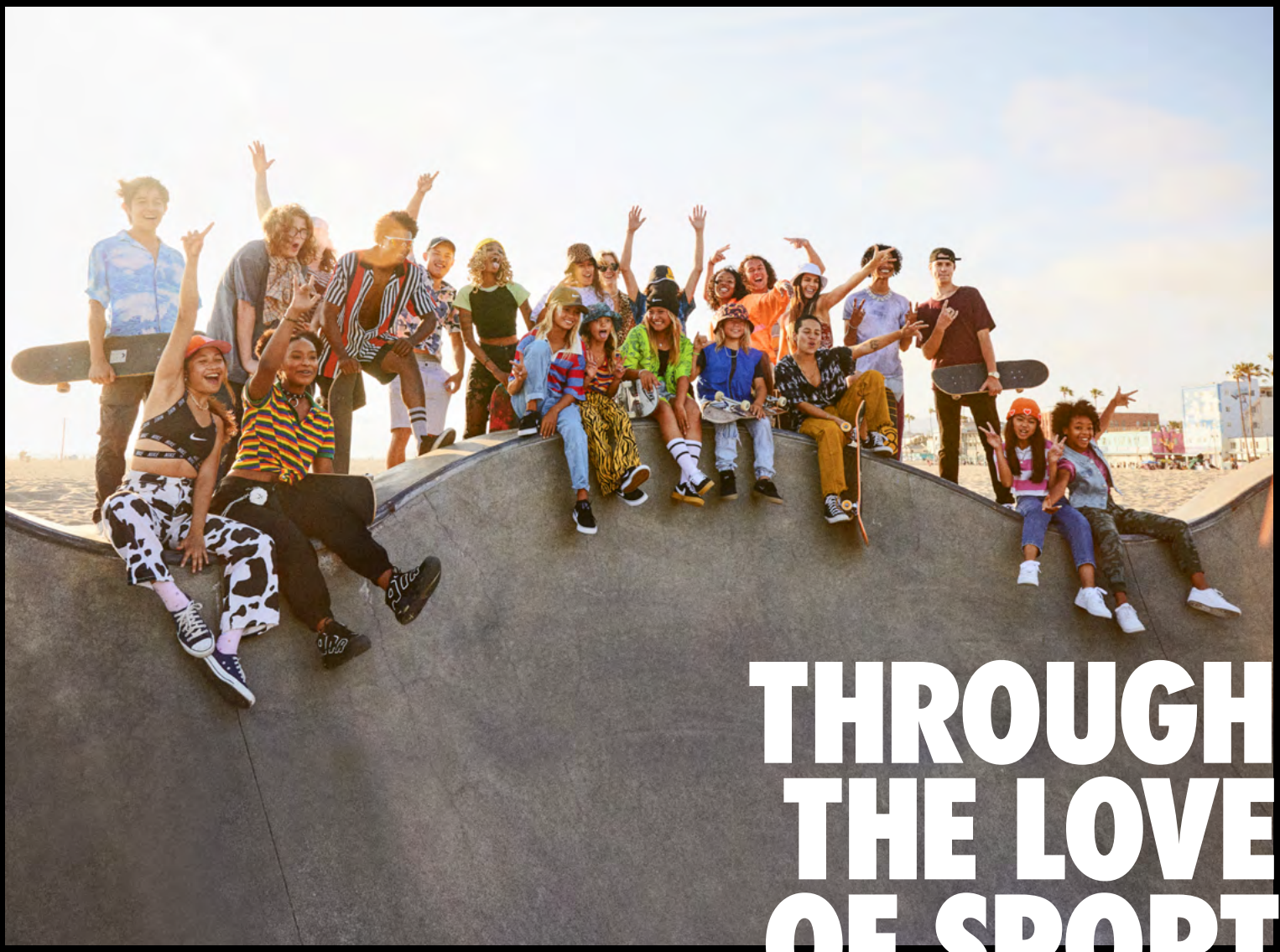
We have found that a safe and healthy workplace and working hours are the leading causes of supplier gaps against our Code and CLS in manufacturing and initial assessments in distribution centers are beginning to surface environmental, labor, health and safety issues.

Additional details on our audits can be found in the Data Appendix of this report.

More Data

Audit and worker data

WE BUILD COMMUNITY



THROUGH THE LOVE OF SPORT

MLK Boys and Girls Club – Chicago, IL

An active life today helps kids reach their full potential tomorrow.

We focus on play to help all kids achieve their full potential, because an active next generation means a more equitable future.

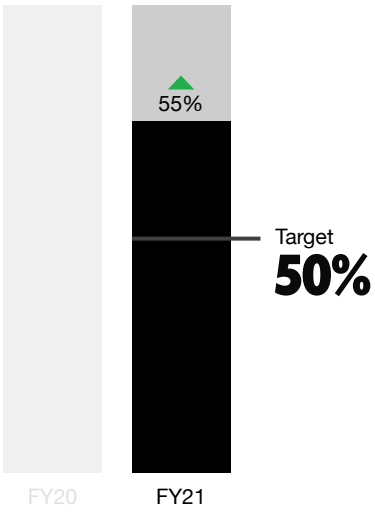
When it comes to play and sport, we know many kids face barriers. That's why, with more than 100 community partners and their grassroots programs, we're prioritizing inclusive programming that helps break the barriers that keep kids from being active around the world.

We also know that having a caring coach is critical to helping kids see their potential. We're investing in youth coaches so they can become game-changing mentors and help kids realize their potential both on and off the field.

Providing opportunities for kids to play helps to build stronger, more resilient communities.

Focus Area

ACTIVE KIDS



Quantitative Target

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

Play is the foundation of sport. And sport creates positive change – in kids' lives, in our communities and in the world. That's why NIKE is focused on getting kids moving by partnering with more than 100 community organizations around the world, through our Made to Play commitment. Our goal is to give all kids the opportunity to access and benefit from play and sport, so they're equipped to become tomorrow's leaders. It's also why we're continually creating new digital tools and resources to empower caring adults to become coaches who can create inclusive, fun environments that invite all kids to play. And we're prioritizing those facing some of the greatest barriers: starting with girls and kids from marginalized communities.

In FY21, we directly reached nearly 600,000 kids around the world – 55% of whom were girls. We achieved this through the collective efforts we support as part of our Made to Play commitment to get kids moving. We also shared our best practices and tools with more than 24,000 coaches and helped train nearly 6,400 of them in delivering fun, inclusive experiences to all kids.

In FY21, we reminded the world that girls are made to play. Girls face complex cultural, social and economic barriers to play and sport. As a result, they drop out of sport at twice the rate of boys – and have fewer sport opportunities overall. To help remove these barriers, NIKE released the Made to Play Coaching Girls Guide. This open-source guide was co-created by NIKE and the Center for Healing and Justice Through Sport (formerly We Coach), with support from Youth Sport Trust

Spotlight

International Day of the Girl

NIKE partners with more than 100 community organizations worldwide to get girls moving

On October 11, 2020, International Day of the Girl, we came together with athletes and partners around the world to amplify girls' voices. As part of NIKE's first annual global celebration, we hosted a virtual event called "Girls are Made to Play: A Conversation on Changing the Game." The event featured the voices and stories of NIKE athletes Scout Bassett, Rayssa Leal and Olivia Moultrie, and girls in community programs like Everybody Dance LA! and America SCORES New York. ESPN's LaChina Robinson led the conversation, which included an introduction with Caitlin Morris, Vice President, Social and Community Impact at NIKE, to show how empowered adults can be at the forefront of helping to change the game for girls. We also invited Nike Run Club (NRC) members to earn a special International Day of the Girl badge, and 1.45 million NRC members ran to support the need to reimagine sport for girls everywhere.

3,000

NIKE Pro hijabs donated through our community partners to girls around the world

International in Europe and subject matter experts and leaders in girls' sport and physical, social and emotional development. It's designed to shine a light on barriers to play that are specific to girls, and those who identify as girls, while equipping coaches and other caring adults with tools to help break those barriers and make sport fun for girls – now and in the future. The Guide has been translated into 24 languages – and adapted for different countries and cultures.

Another barrier girls face is access to the right apparel and equipment. Over the past two years, we've donated 75,000 NIKE Swoosh sports bras and 3,000 NIKE Pro hijabs through our community partners to girls around the world. We've also created tools for caring adults to guide conversations, as well as visual cards for girls to help them determine the right fit. Because product, combined with a positive experience, provides the best opportunity for girls to play with comfort and confidence.

Together with tennis champion Naomi Osaka and Laureus Sport for Good, NIKE created Play Academy, an initiative that aims to change girls' lives through play and sport. The program, originally launched in Tokyo and expanded to Los Angeles and Haiti, provides grants and

20,000

girls from 223 schools reached through the Boundless Girls program in China

capacity-building training for grassroots organizations. Play Academy emphasizes fun, positive play experiences and coaches who are trained in gender inclusivity and can serve as role models to inspire the next generation of girls.

We're also working to help recruit and train more coaches who are representative of the kids they're serving. In Europe, we partnered with ICOACHKIDS to create five coaching essentials designed for anyone – especially those who have never coached before – to learn how to become a coach and inspire kids to move. In summer 2021, we made the series available on the NIKE Training Club and NIKE Run Club apps to encourage NIKE members to become volunteer youth coaches who can help inspire a lifelong love for sport.

In a joint effort between NIKE, China's Ministry of Education and China Education Development Foundation, the Active Schools China initiative continues to shape the role of play and sport for children in China. By the end of FY21, the program had engaged more than 3.9 million students from 8,500 schools in 30 provinces. The program also trained more than 10,000 physical education teachers across the country.

In November 2020, the fourth national Active Schools Innovation Awards ceremony was held online for the first time, and hundreds of thousands of viewers watched and interacted via livestream. The initiative has so far received nearly 8,000 applications and recognized 400 of the country's most creative and inspiring teachers transforming physical education across China.

The Boundless Girls program in China has reached more than 20,000 girls from 223 schools across the country. The engagement between NIKE and the China Youth Development Foundation provided gender-inclusive training and inclusive programs, as well as mini-fund support for creative teachers to unlock barriers to sport participation and reimagine sport for girls in China. NIKE employees volunteered 6,435 hours of time to support the program by the end of FY21.

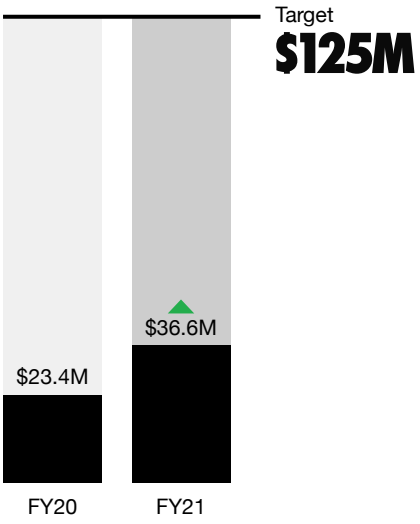
"Our legacy is to make sure there's an arena where the next generation can play and thrive."

Dina Asher-Smith, Track and field athlete

Focus Area

INCLUSIVE COMMUNITY

$ invested in community



Quantitative Target

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

Inequality stands in the way of all communities seeking to thrive in an equal and just society. In FY21, NIKE invested a total of $36.6 million to unite and inspire communities to create a better and more equitable future for all.

In FY21, NIKE, Inc. announced a four-year $40 million commitment on behalf of NIKE, Jordan Brand and Converse to advance a more just and equitable society for Black Americans. In addition to the investment from NIKE, Inc., Jordan Brand and Michael Jordan donated $100 million over the next 10 years.

Following these initial announcements, NIKE, Inc, formed partnerships with NAACP Empowerment Programs, the NAACP Legal Defense and Educational Fund, Inc. (LDF), Black Girls CODE, and Black Girl Ventures – with each organization receiving funding ranging from $500,000 to $1 million. Jordan Brand and Michael Jordan made donations of $1 million each to the NAACP Legal Defense and Educational Fund, Inc. (LDF) and the Formerly Incarcerated & Convicted People and Families Movement (FICPFM), and $500,000 to Black Voters Matter to support reformative practices that drive real change in the Black community.

Later in FY21, NIKE Inc. underscored that commitment through the support of new partnerships with Goalsetter to increase financial literacy among America's youth, with a focus on Black youth, and the National Urban League to champion employment and homeownership for the

Converse and Homeboy Industries

In Los Angeles, Converse grew a relationship with Homeboy Industries, the largest gang rehabilitation and reentry program in the world. With Converse's support, Homeboy Industries engages youth by using creative arts programming to heal, prevent recidivism and change the arc of their lives. This overlap of creativity and economic empowerment is a model Converse is continuing to grow internally to help young people realize their potential, personally and professionally.

Black community. Additionally, working with local teammates, we invested $2.75 million to support 37 local organizations across Boston, Chicago, Los Angeles, Memphis, New York City, Portland and St. Louis to fuel economic empowerment, education innovation and social justice on behalf of Black communities.

In London, the NIKE Brand supported the Black community through a community grant program, engaging employees in the grant-making process to help advance equality and expand opportunities. We've since awarded grants to 15 community organizations dedicated to creating lasting change for the Black community in play and sport equity, education, economic empowerment, career development, mental health and more.

Following the Michael Jordan and Jordan Brand's initial donations, together, of $1 million to the NAACP LDF, $1.1 million to the Formerly Incarcerated and Convicted People and Families Movement and $500,000 to Black Voters Matter, Michael Jordan and the Jordan Brand awarded a total of $5 million to the Smithsonian Institution's National Museum of African American History and Culture – where the Nike Foundation is a founding donor – Morehouse College's Journalism in Sports, Culture, and Social Justice program and the Ida B. Wells Society for Investigative Reporting.

Converse made additional donations totaling over $500,000 to the NAACP Legal Defense Fund, The Equal Justice Initiative, the ACLU of Massachusetts, the ACLU of Pennsylvania in collaboration with Converse Athlete Natasha Cloud, and The New Commonwealth Racial Equity and Social Justice Fund to advance equity and social justice work.

Since FY20, NIKE's Until We All Win grant portfolio in the U.S. has underscored our commitment to diversity and inclusion in the communities where we live, work and play. Grants totaling $4.5 million in FY21 supported nonprofits working to advance equality in communities represented by our eight North America-based Employee Networks, collectively known as NikeUNITED.

In the next year, we aim to expand our support to nonprofits dedicated to creating a better and more equitable future in communities outside the U.S.

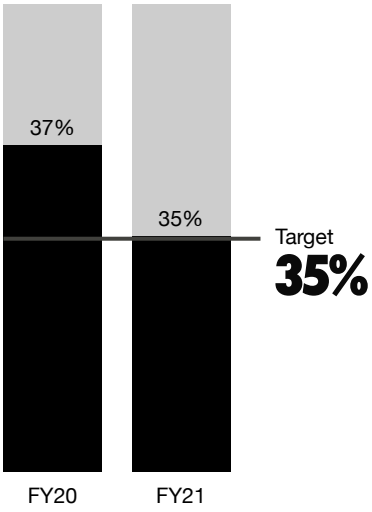
Learn More

NikeUNITED

Focus Area

EMPLOYEE ENGAGEMENT

% of employees engaged in their communities



Quantitative Target

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

As a company that invests in communities as a core part of our purpose, NIKE also supports every employee's personal desire to give back and directly impact positive change across a wide range of causes in their local communities. We know our employees are both resilient and generous: so much so, that despite the ongoing COVID-19 pandemic last year, our employees helped direct more support than they ever have to the communities where they live and work.

Through our employee giving platform, Give Your Best, we reward employees for engaging in their communities by matching their cash donations and awarding $10 an hour for volunteering – either in-person or virtually. Our Give Your Best serves as the strongest measure of our employees' engagement in their community. In FY21, 35% of our global employee population engaged with our Give Your Best platform to help deliver NIKE's purpose.

In FY21, as a part of NIKE's employee matching gift program, NIKE employees directed $21 million to thousands of organizations around the world – a 38% increase over the prior year.

Spotlight

NIKE Community Impact Fund

Through the NIKE Community Impact Fund (NCIF), an employee-led grant-making program, teammates in the U.S. and Europe engage in a local community grant selection process that aims to support organizations that create active communities and provide access to play and sport. The success of NCIF is rooted in the passion of NIKE employees – no one is more committed to what their neighborhoods and communities need more than the people who live there. In FY21, 247 employees helped direct $1.3 million in support of community-based initiatives to drive local impact near eight NIKE Community Store neighborhoods across the U.S. – Chicago, Detroit, East Los Angeles, New Orleans, New York City, Portland, Washington, D.C., and Watts (total grants of $50,000 per store); NIKE's WHQ backyard (total grants of $500,000); NIKE's North America Logistics Campus in the Mid-South (total grants of $100,000); NIKE's European Headquarters (EHQ) in the Netherlands (total grants of €125,000); and the European Logistics Campus in Belgium (total grants of €139,000).

Our employees mobilized to contribute to social justice efforts advancing equality and directed $3.1 million to more than 65 organizations. On Giving Tuesday alone, employees directed $7 million to 2,634 organizations globally in a single day – a record amount in the four years that NIKE has elevated the day by matching employee giving two-to-one to all organizations on Give Your Best, NIKE's employee giving platform.

In FY21, we continued to invest in our retail employees through the NIKE Community Ambassador (NCA) program. The NCA program gives NIKE store employees the opportunity to share their love of sport by volunteering in local schools and communities. More than 6,700 NCAs from 560 stores across 29 countries have volunteered to deliver positive sport experiences, rooted in inclusive coaching principles and games. As a result, NCAs around the world support and inspire kids to succeed both on and off the court. And despite the pause on in-person volunteering for NCAs due to the pandemic, we developed several new coaching resources and hosted virtual trainings in key markets that NCAs leveraged to enhance their training and education. We expect a significant increase in NCA activity once it's safe for everyone to gather in-person again with community partners and the kids they serve.

Jordan Brand Wings Scholar Jailen Burrell

NIKE Community Ambassador – Berlin, Germany

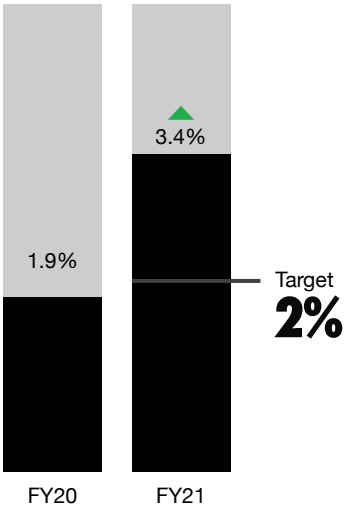
In Greater China, as part of the global Jordan Brand Wings program, 456 employees have volunteered 100,000 hours of time since the program began in 2015 to support primary school and high school youth – with many mentors leveraging virtual meeting tools to connect with the kids during the pandemic. Since 2015, the program has helped more than 2,120 rural high school students from 30 schools across 16 provinces. As the program embarks on its third season locally, employees will expand their support to provide scholarship graduates with mentorship and career support.

During the pandemic in FY21, Converse's employee network, ConverseUNITED, introduced virtual Community Sessions to amplify local engagement efforts focused on youth. The events are designed to inspire middle school and high school-aged kids from community partner organizations by leveraging the unique and creative talent of employees to illuminate the career possibilities at Converse and within the industry. Over 150 youth have participated in the program's offerings, including virtual Sneaker School, which steeps individuals in the basics of sneaker creation – from design through manufacturing – and Basketball 101, which offered a crash course in developing a business plan for a performance basketball sneaker.

Focus Area

COMMUNITY INVESTMENT

% of prior-year, pre-tax income invested



Quantitative Target

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

For nearly 50 years, NIKE has been a committed and active participant in the communities where we live, work and play. As the needs of our communities became clear last year, NIKE responded by investing more than ever before.

Active Schools – Johannesburg, South Africa

50

FY01 Corporate Responsibility Report

NIKE has been sharing our community investments since our first Corporate Responsibility Report

20

In FY21, COVID-19 impacted all businesses, including ours. However, it was our communities that felt the greatest impacts. At the same time, racial injustice magnified those effects. As a company, we responded by leading with our values and giving our best to support our communities.

Our ability to adapt to these significant, quickly changing needs led to NIKE's investment of $97.7 million – which represented 3.4% of the prior year's pre-tax income – far exceeding not only our original FY20 target of 1.5% of the pre-tax income but also our 2025 target of 2% investment. These investments have helped to drive significant, positive change for kids and communities around the world.

Jordan family members have also joined forces to help advance NIKE, Jordan and Michael Jordan's BCC through the launch of the Jordan Brand's inaugural Family Grant Program. In its first year, the Family Grant Program supported 11 organizations across eight U.S. cities. Michael Jordan and the Jordan Brand also launched a second inaugural program, the Community Grant Program, with an open call to grassroots organizations to directly apply for grants to help advance local solutions and more equitable futures for Black Americans. In its first year, the Community Grant Program awarded grants to 18 grassroots organizations across 16 U.S. cities.

Converse worked with passion and pride in FY21 to connect young people with the resources they needed to realize their potential. With a sharper strategy centered on three goals – social justice, creativity and sport – Converse was able to adapt and respond to the changing needs of individuals and their communities. Last year, Converse increased its grant funding by six times and expanded to 27 community partnerships in Boston, London, Los Angeles and New York City. Over 80% of the individuals served by Converse's programming were from Black and Brown communities.

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

Nafi Thiam, Track and field athlete

WE DON'T WAIT FOR SOLUTIONS

50

FY01 Corporate Responsibility Report

NIKE established 2020 environmental goals in 2002, setting the template of our environmental work for the next 20+ years

20

To help protect our planet, we don't wait for solutions, we create them.

We believe that we, along with our industry, have a responsibility to reduce our impact on the planet. That's why we're reimagining how we make products through the lens of sustainability and circularity.

We're focused on using recycled materials, creating more durable materials, using better chemistry and making products that are easier to refurbish or recycle.

We take the same innovative approach to reducing impact across our entire value chain – from the way we manufacture and distribute products to the way we operate our offices, stores and distribution centers. Reducing impact isn't enough though; we're also starting work to have a more positive environmental impact through water restoration.

Climate change takes collective action, so we're working across our industry and beyond to lower our shared impact.

We are not waiting for solutions – we are creating them.

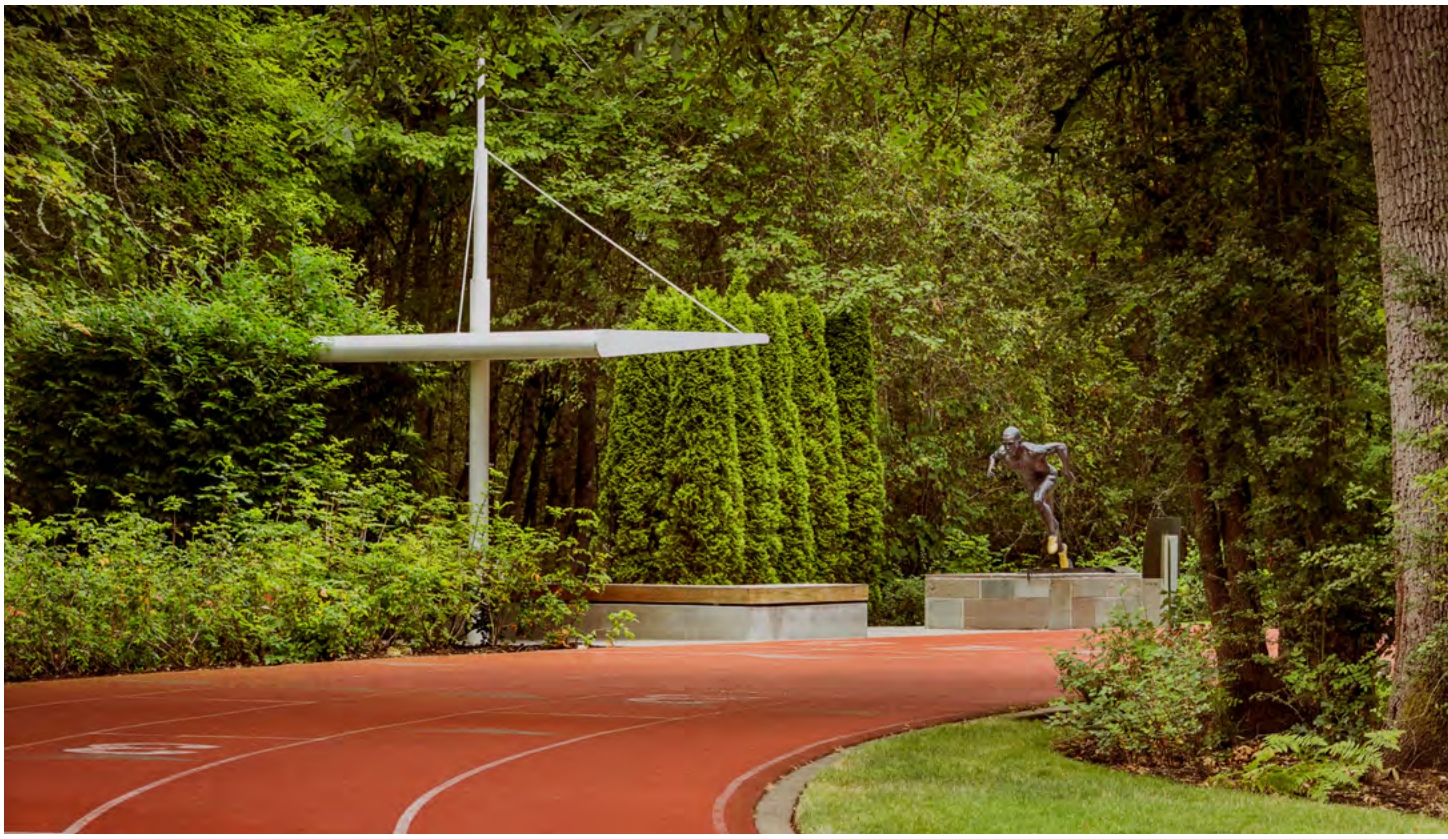
Focus Area

CARBON

To help protect the future for athletes• everywhere, everyone needs to do their part in keeping global warming below 1.5°C. To do that, the world's GHG emissions need to be cut by half this decade, and we need to reach net zero by 2050.

At our scale, it's an ambitious goal, and many of our toughest challenges still lie ahead. But with clear targets and strategies, ambitious does not have to mean aspirational.

As noted in our net zero graphic on the next page, our carbon targets span different time periods and scopes. In this section, we start by covering 2025 targets and then discuss how they fit into our SBT ambitions.



NIKE WHQ – Beaverton, OR

The Path to Net Zero

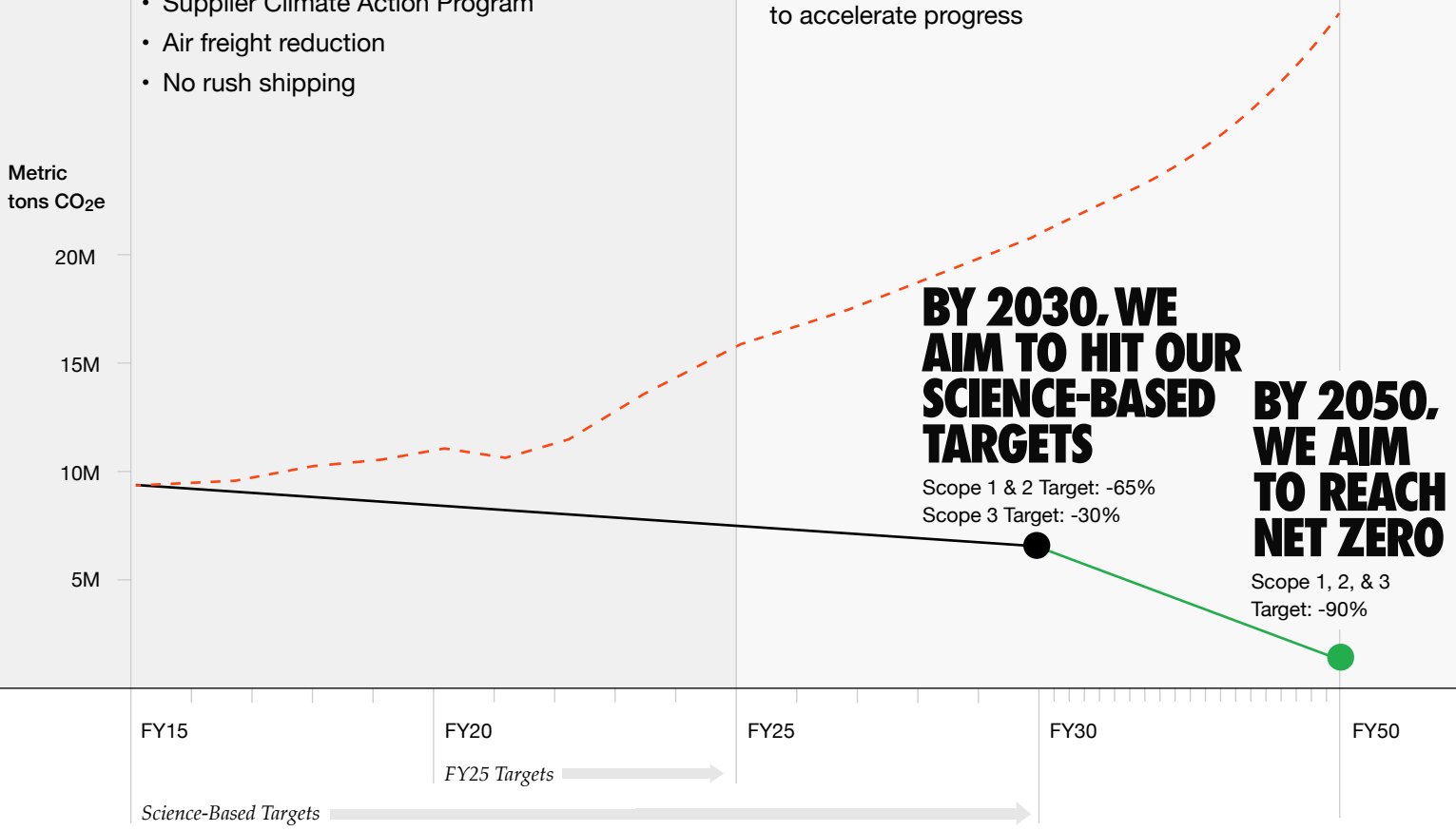
Current Plan

- Nike commits to RE:100
- Renewable electricity
- Alternative fuels
- HQ fleet vehicle electrification
- Energy efficiency
- Coal elimination
- Supplier Climate Action Program
- Air freight reduction
- No rush shipping

Future Plan

Building on current plans and increasing focus on:

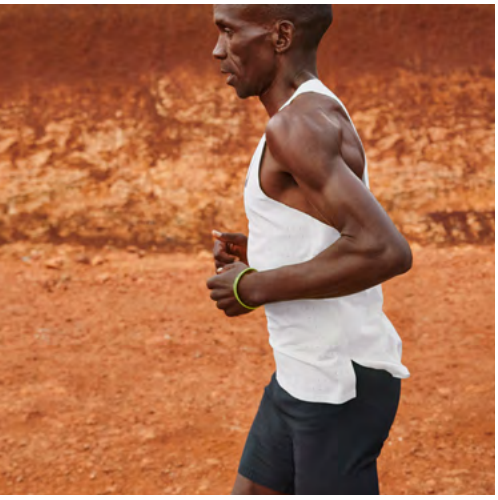
- Converting to environmentally preferred materials
- Converting factories to renewable energy
- Working across industry to accelerate progress



Increasing Scope: Carbon Targets

○ *Not in Scope* ● *Included in Scope* ● *Scope expanded*

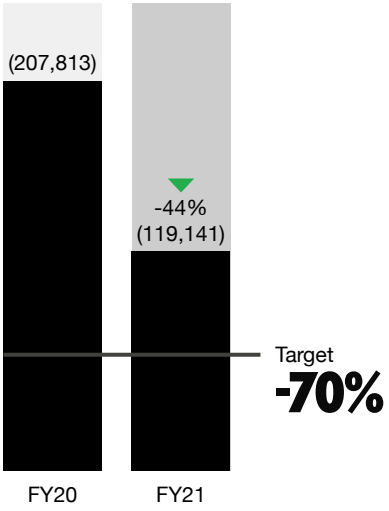
	2015	2020	2025
Make	● Corporate Services *WHQ only (diversion)*	● Corporate Services *All HQs*	● Corporate Services *All HQs & Offices (owned or operated); corporate jets*
	○ Raw materials	● Raw materials *Product carbon footprint*	● Raw materials *Environmentally preferred materials: polyester, cotton, leather, rubber*
	○ Materials manufacturing and finishing	● Materials manufacturing and finishing *FW & AP*	● Materials manufacturing and finishing *FW & AP, Air Manufacturing Innovation*
	● Finished goods manufacturing *FW*	● Finished goods manufacturing *FW*	● Finished goods manufacturing *FW & AP*
Move	● Logistics *Inbound logistics*	● Logistics *Distribution Centers; inbound and outbound logistics*	● Logistics *Distribution Centers; inbound and outbound logistics*
Sell	● Retail *U.S. only (owned or operated)*	● Retail *Global (owned or operated)*	● Retail *Global (owned or operated)*
	○ Consumers	○ Consumers	○ Consumers
	○ End of Life	○ End of Life	○ End of Life



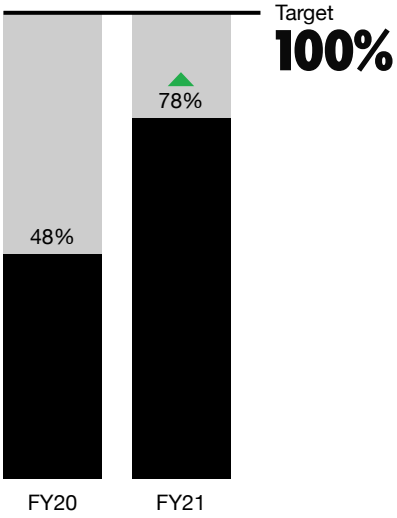
"Life and the world are like the marathon. You have flat courses and free moments. And you can also have hilly courses and face challenges. Running a good marathon is not a one-day event – it's years and months of training and consistency. The same is true for climate change. It's good to think big.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

Eliud Kipchoge, Long-distance runner

Owned or operated facility GHG emissions (metric tons CO_2e)



% renewable electricity[36]



Quantitative Target

70% absolute reduction of GHG emissions in owned or operated facilities through 100% renewable electricity and fleet electrification

Renewable electricity use is driving the majority of reductions across our owned or operated facility emissions via power purchase agreements (PPAs) and onsite renewable electricity. Office closures (due to COVID-19) and energy efficiency work are also contributing to reductions.

Procuring Renewable Electricity

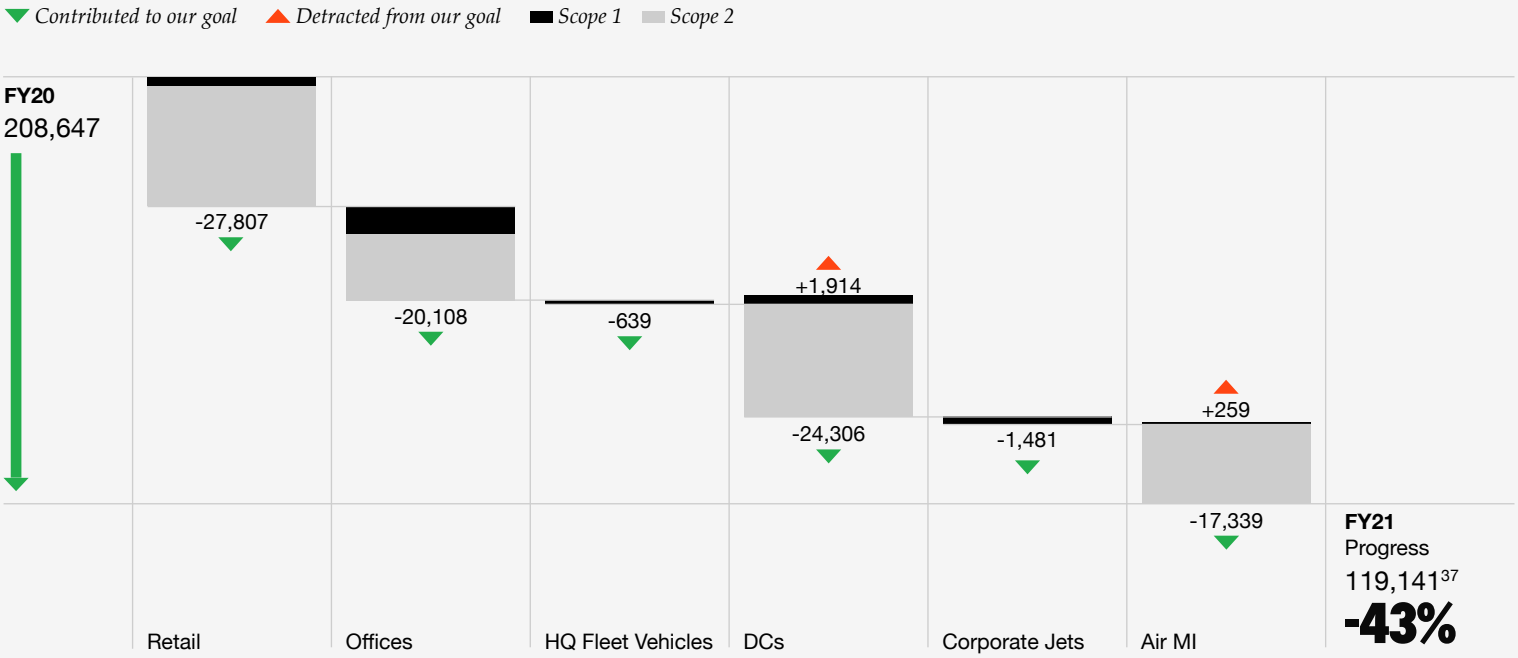
In FY21, NIKE made strides toward our target to reach 100% renewable electricity in NIKE owned or operated facilities. In September 2020, NIKE's groundbreaking virtual power purchase agreement (vPPA) in Spain went live, covering our owned or operated electricity footprint in Europe. Iberdrola, S.A.'s Cavar wind project provides NIKE's European operations with 110,000 MWh per year of renewable electricity. This project, along with PPAs delivering power across the U.S. and Canada and various onsite solar projects globally, brings NIKE to 78% of our 100% renewable energy target in owned or operated facilities.

NIKE continues to explore and develop renewable energy solutions. Our countries of focus in FY21 included Australia, China, Japan, Mexico and Vietnam. While driving toward coverage for our owned and operated footprint, we increasingly explore solutions that may open pathways for adoption of renewable energy in our supply chain.

We continued to expand the generation and use of onsite renewable energy at our distribution centers globally. At our Tepana distribution center in Mexico, a rooftop solar array went live. The solar array is estimated to produce 1,000 MWh annually, covering ~50% of the facility's electricity needs and representing more than 10% of NIKE's load in Mexico. In Belgium, at our Converse European Logistics Campus, a rooftop solar array also went live and is estimated to produce 3,000 MWh annually, covering a significant portion of the facility's electricity needs.

36 FY15 is the baseline for NIKE's RE100 target, which was 14% renewable energy.

70% Emissions Reduction Target (Metric Tons CO_2e)



37 This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2020, to May 31, 2021, as indicated in the Report of Independent Accountants.

Reducing Energy Use

Some highlights of our efforts to reduce energy use in FY21 include:

Retail

- Piloting programs that allow stores to see actual energy use in real time and adjust operations to reduce energy use.
- Building locations to be more energy efficient through updates and modifications to equipment such as heating and ventilation systems, LED lighting or the use of Environmental or Building Management Systems to manage energy consumption.
- Transitioning to electricity for store heating and cooling needs, to transition more quickly to renewable energy than available by natural gas.
- Eight stores that opened in Greater China in FY21 obtained Leadership in Energy and Environmental Design (LEED) certification, including two Gold.

Offices

- Office closures yielded a significant temporary reduction in building energy usage globally. In FY21, we saw a 42% reduction in Scope 1 emissions from FY20. And a 48% reduction in emissions from transportation vehicles due to reduction in services at our WHQ campus.

Solar panels on Serena Building, NIKE WHQ – Beaverton, OR

- We are optimizing our space usage to reduce the square footage of our global real estate portfolio. When we have office space growth, or renovations, we are incorporating electrification and energy-efficient design to decarbonize and reduce energy usage.
- In FY21, we completed the LeBron James and Serena Williams buildings, both of which achieved LEED Platinum certification.
- Launching Smart building pilots at both our WHQ and EHQ campuses. We will be completing these pilots in FY22 and are eager to review energy reduction results.
- At our Greater China Headquarters (GCHQ), we expanded our employee electric vehicle (EV) charging network, where now 30% of available parking is supported with EV charging.

Distribution Centers

- Extreme temperatures in key regions required us to increase our energy use (electricity to cool, natural gas to heat) to keep the distribution centers temperate for our employees.
- In Byhalia, Mississippi, our Adapt distribution center received LEED Gold certification, emphasizing the minimal impact of the building and the operational life of the facility.
- In Belgium, our Court distribution center features include onsite solar panels, advanced LED lighting and use of biomethane in lieu of natural gas for heating, making the distribution center completely fossil free for its operations.

Air MI Facilities

- COVID-19 operating procedure requires increased ventilation. HVACs draw more outside air, increasing energy use.
- We ended facility use of propane and switched to lower-carbon natural gas fuel.
- Purchased hand-held gas detection meters to quickly detect, track and fix possible system leaks.
- Identified priority electrification projects for FY22, including water heater conversions.

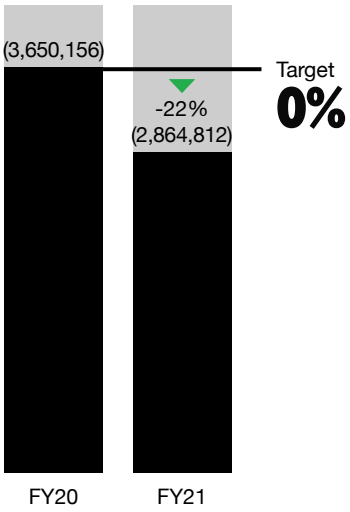
Corporate Jets

- NIKE's first investment for sustainable aviation fuels for employee air travel, kicking off the first step in our journey to 100% sustainable fuels for commercial air travel.
- As of December 1, 2021, home base fuel planning includes 7,500 gallons of sustainable aviation fuel (SAF) for each quarter.

Quantitative Target

Greenhouse gas emissions from key suppliers' manufacturing and transportation operations will be at or below 2020 levels through use of renewable energy, energy efficiency and alternative fuels

Manufacturing and transportation GHG emissions (metric tons CO_2e)



The significant reduction we saw in FY21 was largely due to COVID-19-related factors including manufacturing slowdown and our lowest inbound air freight rate on record. Outbound emissions increased versus baseline in response to increasing e-commerce sales but was a smaller portion of this target.

Manufacturing

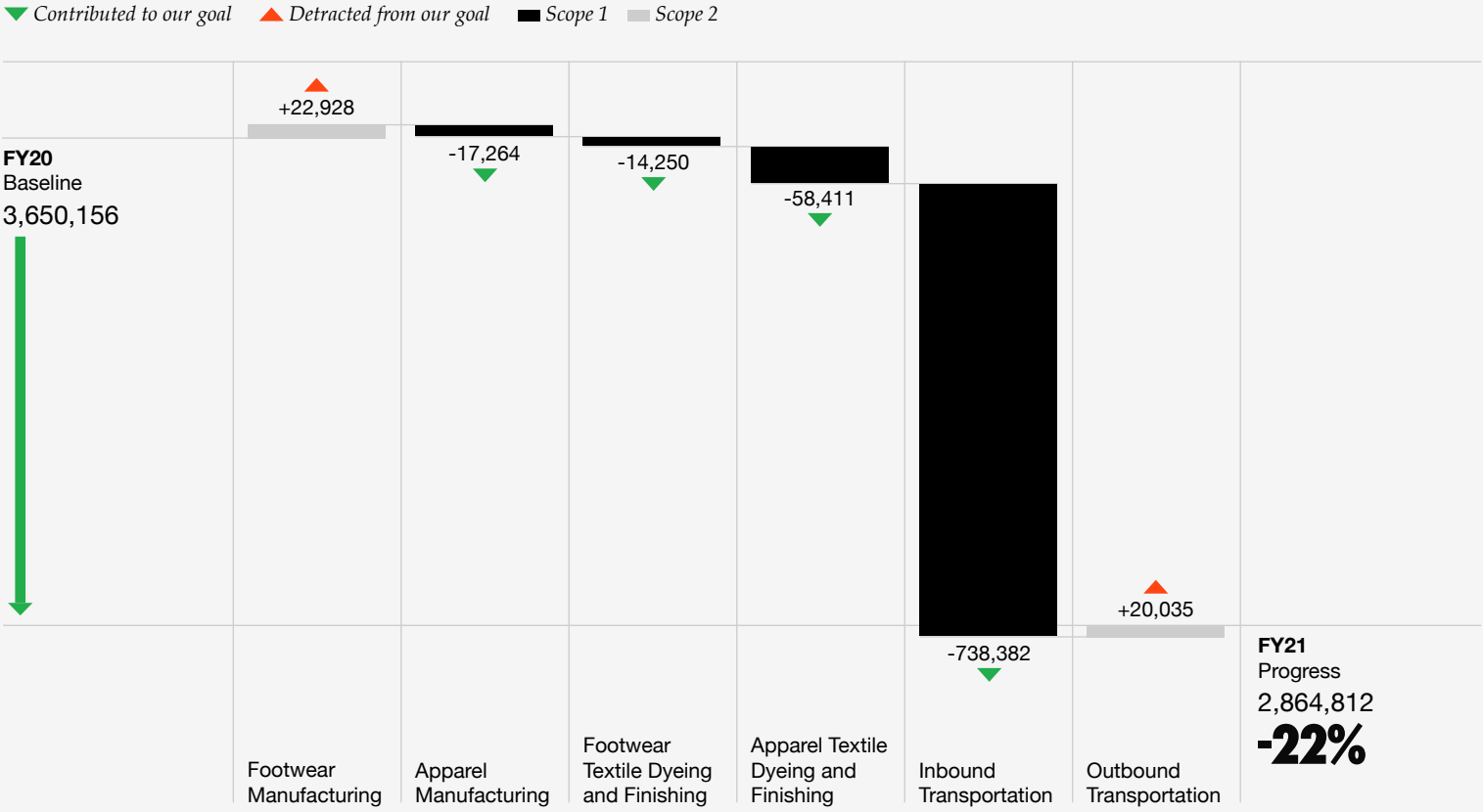
For NIKE to achieve its 2030 Scope 3 science-based emission reduction target and longer-term net zero target, it is critical that emissions from manufacturing suppliers are reduced. Finished goods and materials suppliers account for approximately 30% of NIKE's total emissions footprint. Under a business-as-usual scenario, NIKE expects emissions from manufacturing to increase by more than 30% over the next five years – which means that, to reduce absolute emissions during this time, we need to push beyond incremental reductions and unlock transformative solutions.

Achieving these targets not only reduces emissions but also builds shared value. Our programs help to drive operational efficiencies and energy savings among our supply chain while also building operational resilience for a future where climate impacts are the norm.

Our manufacturing emissions reduction strategy with suppliers is built on four pillars:

1. Expand ongoing efficiency improvements
2. Maximize use of onsite solar photovoltaic (PV) at factory sites
3. Procure offsite renewable grid electricity through mechanisms such as PPAs
4. Phase out of coal use in dyeing and finishing facilities and switch to lower-carbon fuels

% Emissions Change in Manufacturing & Transportation Target (Metric Tons CO_2e)



Energy Efficiency
During FY21, we deployed NIKE's Energy Minimum Program, which is an energy management foundation geared at achieving energy and cost savings. This enabled us to achieve resource productivity gains with finished goods and materials suppliers. This program brings organizational capabilities, data analytics and energy management activities to suppliers.

Additionally, we worked with individual facilities to scale key energy efficiency opportunities with the greatest impact on their unique energy and carbon footprint. For example, we worked with apparel suppliers to increase motor efficiency and worked with footwear suppliers to reduce energy use in midsole processing. We also began exploring new finishing methods in materials manufacturing that could potentially cut energy and water use in half and significantly reduce emissions, with an aim to pilot this technology at a manufacturing facility in FY22.

Nike Air Manufacturing Innovation Facility – Beaverton, OR

50%

of suppliers in NIKE's Tier 2 suppliers have coal elimination plans in place

Onsite Renewable Energy

Costs of onsite solar PV installations have declined so much that they can be less expensive than grid-purchased electricity, offering financial savings for suppliers while also reducing their carbon footprint. Onsite solar PV can typically provide up to 15% of electricity requirements at supplier facilities and can be scaled fairly quickly across sites, making it a major component of our renewable energy strategy with suppliers.

Since launching in FY19, the NIKE onsite solar PV program has helped increase uptake of rooftop solar PV among suppliers across our supply chain. Through the program, NIKE provides technical advice and assistance, helping to reduce risk for suppliers during the contracting process and make the business case for these investments.

In FY21, NIKE launched onsite solar programs in Vietnam and Indonesia, and suppliers added significant onsite solar PV capacity, with 25 facilities signing contracts for 32 MW of solar energy.

In Greater China, we continue to work with suppliers to maximize the use of renewable energy through the use of solar and biofuels.

Offsite Renewable Energy

While suppliers are making significant emissions reductions through deployment of onsite solar PV, facilitating access to offsite renewable electricity through mechanisms like PPAs will offer even greater opportunities for suppliers to reduce their emissions footprint.

NIKE is exploring different ways to support PPAs across our major markets and encouraging suppliers to take advantage of those opportunities where they exist. In FY21, suppliers contracted over 90 million kWh/year of offsite renewable energy for NIKE production by engaging in PPAs. This includes Feng Tay Group, which contracted nearly 50 million kWh/year at three of their facilities in India.

As NIKE suppliers do not have the ability to procure clean energy through PPAs in several of our major markets, we are continuing to explore and advocate for government policy frameworks to support.

For example, we are collaborating with the U.S. Agency for International Development (USAID) Vietnam Low Emission Energy Program (V-LEEP)

External Engagements

- ***RE100:*** *RE100 is a collaborative, global initiative of influential businesses committed to 100% renewable electricity, working to massively increase demand for – and delivery of – renewable energy.*
- ***Better Buildings Challenge:*** *The Better Buildings Challenge works with leaders in the public and private sectors to make the nation's homes, commercial buildings and industrial plants more energy efficient by accelerating investment and sharing of successful best practices.*
- ***Fashion Industry Charter for Climate Action:*** *As a signatory, Nike shares the ambition to pursuing a target of 30% GHG emission reduction by 2030 and a commitment to analyze and set a decarbonization pathway for the fashion industry drawing on methodologies from the Science Based Targets initiative.*
- ***G7 Fashion Pact:*** *Collection of fashion brands that have set sustainability targets to address climate change, protect biodiversity and reduce ocean pollution.*
- ***Transform to Net Zero:*** *NIKE is a founding member of Transform to Net Zero, which is a cross-sector initiative to accelerate the transition to a net zero global economy. Its vision is to enable an inclusive net zero economy no later than 2050.*

to support the Vietnamese Government's renewable energy direct power purchase agreement (DPPA) pilot being launched jointly by USAID, the Vietnam Ministry of Industry and Trade, and the Electricity Regulatory Authority of Vietnam. In FY21, we assisted several Vietnam suppliers in preparing for the DPPA pilot application, anticipated to open in FY22. Through the pilot, NIKE may be able to secure renewable electricity for nearly 100% of our owned and operated spaces in Vietnam, and suppliers will be able to power nearly 40% of NIKE's manufacturing load in Vietnam with renewable energy.

NIKE, together with a strategic factory group, stands ready to move forward with the DPPA pilot when the program is finalized by the Vietnamese government. Over the past year, we have analyzed the local electricity market to select a developer to work with when program applications open.

NIKE is sharpening its policy advocacy efforts to open up renewable energy procurement opportunities in our key sourcing markets. At COP26, NIKE executives met with government officials and signaled our strong desire for competitive clean energy market solutions through participation in the U.S. Department of State Clean Energy Demand Initiative. Also at COP26, NIKE helped to launch USAID's Corporate Clean Energy Alliance, a coalition of businesses committed to working with governments across Southeast Asia to facilitate the rapid deployment of clean energy.

Already, some strategic suppliers have taken innovative approaches to scale their access to renewable energy and we encourage their efforts. Notable among these is Shenzhou, which is seeking direct investment in a wind farm to provide renewable electricity to its factory in Zhejiang, China.

Through a growing suite of renewable electricity solutions, NIKE hopes to continue accelerating supplier emissions reductions toward meeting long-term climate targets.

Coal Elimination

Through NIKE's participation in the UN Fashion Charter, we have a goal to eliminate coal from Tier 2 suppliers by 2030. In FY21, NIKE joined a collective action initiative with Apparel Impact Institute and seven other brands. Through the initiative, NIKE co-chairs a working group to explore how we can work collectively across brands to eliminate coal from Tier 2 suppliers. Currently, 50% of Tier 2 suppliers have coal elimination plans in place.

Logistics

Spotlight

Supplier Climate Action Program

Hollister Trail, NIKE WHQ – Beaverton, OR

We know we cannot meet the ambitious targets laid out by the Paris Agreement and our own Science-Based Targets (SBTs) alone. Meaningful climate action requires long-term commitments and engagement with all parts of our supply chain. Fortunately, NIKE has built close relationships and mutual trust with manufacturing suppliers over decades, which allow us to develop innovative products and co-invest in manufacturing capabilities. We are leveraging those relationships to drive action on climate change.

In May 2020, NIKE launched a new climate program with NIKE's Supplier Sustainability Council (SSC). The SSC is a group of strategic suppliers committed to sustainability to enhance their operational performance and mitigate risk while sharing out best practices in the hopes of elevating worker safety across the sector. Challenges related to climate change were among the top sustainability issues raised by the SSC. Of particular concern were the rising cost of energy, hotter working conditions, increased intensity and frequency of extreme weather events, and new policy and regulation introduced by governments to mitigate GHG emissions.

With those concerns in mind, NIKE developed the Supplier Climate Action Program (SCAP). Eleven of NIKE's largest finished goods and materials suppliers committed to the program and account for approximately 60% of strategic supplier emissions. SCAP not only provides technical assistance to suppliers to help set more ambitious climate goals but also turns the process of achieving our supply chain emission reductions into an aligned strategic effort.

The SCAP asks suppliers to take the following actions:

- Develop a company-wide GHG inventory
- Set a validated science-based emissions target for Scope 1 and 2 emissions
- Publicly disclose climate-related information through CDP
- Collaborate with NIKE to explore climate-related risks and opportunities in the extended supply chain[38]

38 Facilities in Extended Supply Chain: 100% finished goods suppliers (AP, FW, and EQ); in-scope materials suppliers; focus DCs; and Air Manufacturing Innovation facilities – In-Scope Materials Suppliers: Suppliers representing approximately 90% of total footwear upper materials and apparel textiles production – Focus DCs: Distribution centers representing at least 80% volume.

During FY21, these suppliers completed all of the foundational requirements of the program, which includes having their science-based Scope 1 and 2 emission targets validated by the World Resources Institute (WRI). Those ambitious commitments cover their footprint across their entire footwear and apparel businesses (not only NIKE-related emissions) – a projected 42% reduction in baseline emissions over 10 years. This level of reduction is what is needed collectively across the globe to avoid the worst impacts of climate change. At its heart, this program is supporting the deepest parts of our supply chain to take climate action and create ripple effects within the industry and beyond.

Over the coming months, NIKE and the SSC will create a joint climate action plan, which will serve as a roadmap for our collective emission reduction pathway over the next 10 years.

Air Freight
In FY21, NIKE saw the lowest inbound air freight usage on record since we began tracking (from supplier to destination distribution center). Initially, the decision to reduce air freight was made to mitigate business uncertainty at the onset of the pandemic. Due to the substantial positive impact on our inbound carbon emissions (air freight is on average 42 times more carbon intensive than ocean freight), NIKE is working to not return to pre-pandemic air freight usage, through our Move to Zero air freight program.

Historically, carbon emissions from outbound transportation (from a NIKE distribution center to final destination, including to the consumer) have been challenging with the growth of e-commerce sales, as we try to balance speed and carbon emissions. In FY21, that challenge only intensified as e-commerce sales grew even faster.

Alternative Fuels
In FY21, we continued to expand piloting alternative fuels for both ocean freight and air freight. These pilots used biofuels made from waste streams and carried certifications from the Roundtable on Sustainable Biomaterials and the International Sustainability and Carbon Certification. In total, our investments in these pilots secured alternative fuels for about 4% of our total inbound volume, resulting in the reduction of approximately 11,000 metric tons of carbon emissions.

We continued to expand our use of alternative fuels for outbound

50

FY05/06 Corporate Responsibility Report

NIKE published our first GHG inventory

20

transportation in EMEA with key activations on lanes from our European Logistics Campus in Belgium to London. During FY21, the EMEA outbound team reduced outbound transportation carbon impact by using multi-modal solutions and alternative fuels. As a result, 28% of our total line-haul solutions are now multi-modal. Of our total line-haul trucking kilometers, 22% are driven on alternative fuels, mainly fueled with hydro-treated vegetable oil (HVO) solutions. We also began using electric trucks for deliveries in Tokyo, Seoul and Mexico City.

In Greater China, alternative transportation methods for outbound shipping have helped reduce carbon emissions. Taking advantage of new railways systems, implementing alternative fuels and utilizing electric vehicles have reduced carbon emissions in outbound freight by more than 572 metric tons. We also began utilizing trucks to replace air freight while maintaining the same service level in digital order transportation, reducing 70% of carbon emission compared with air freight in FY21.

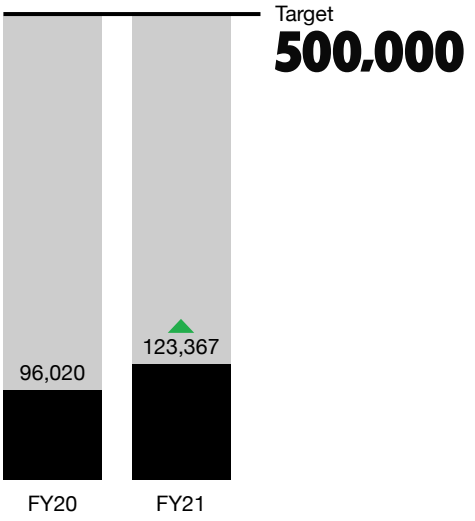
We have learned there are many options available for alternative fuels – with varying carbon emission reductions, limited availability and some with other potential environmental concerns. To enable us to make the best decisions possible based on currently known information as we begin to scale, we worked cross-functionally to develop a sustainable fuels policy, which clearly outlines definitions, criteria and guidance for fuel efforts and reporting. The policy is intended to provide guidance, which allow us to build effective strategies to accelerate the use of alternative fuels.

As a bridging strategy, until alternative fuels are widely available, we also continued to offset 100% of the carbon impact of the transport of our U.S. and European e-commerce orders (from distribution center to consumer) through innovative forestry engagements with FM in the U.S. and WeForest in Europe. For our European e-commerce orders, we reached the milestone of planting 1 million trees since the start of the program. This was done through a Move to Zero Community Challenge, calling on our members and employees to collectively run 1 million kilometers. For every participant who ran 1 kilometer, one tree was planted on behalf of NIKE.

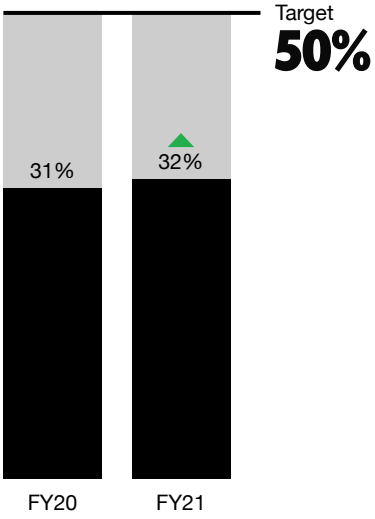
More Data

Carbon Data

Materials GHG emissions reduced (metric tons CO_2e)



% environmentally preferred materials (EPM)



Quantitative Target

0.5M metric tons of GHG emissions reduced through increasing our use of environmentally preferred materials to 50% of all key materials[39]

We know that materials account for approximately 70% of NIKE's product carbon footprint. By tapping into the insights and experience of at least the past five years, we are focusing on improving the environmental impact of materials within our products. We're also moving from having no material priorities to concentrating our efforts on specifically targeted material replacements.

For footwear, we are focused on improving specific, high-volume materials (polyester, rubber and leather), particularly through significant increases in the use of recycled versions and the necessary integrated business strategies. Innovation will be increasingly important, focusing on new recycling methods and material types that meet our product and consumer requirements.

Polyester and cotton make up the bulk of NIKE Apparel's material use and carbon impact, and these two fibers are where the focus is for impact reduction at scale. We are concentrating conversions to recycled polyester, organic cotton and recycled cotton content on key high-volume fabrics and products. This strategy requires partnership across NIKE's entire organization, from innovation through to our consumers at retail.

One year into our five-year journey, our focus on key materials with scalable low-impact alternatives has enabled NIKE to make tremendous progress toward our carbon reduction goals. NIKE is well ahead of our recycled polyester plan in both footwear and apparel. While we're tracking behind our footwear goals in both leather and rubber, we have strategies in place that should allow us to make up the gap. NIKE product creation is focused on meeting these goals.

39 Key Materials – Polyester, cotton, leather and rubber.

Recycled materials

Top Five Materials in Product by Volume[40]		*FY20*	*FY21*
Polyester			
Recycled	metric tons	44,387	**55,477**
	%	23%	**33%**
Total Polyester Use	**metric tons**	**195,490**	**166,343**
Cotton			
Organic	metric tons	10,811	**13,680**
	%	10%	**12%**
Recycled	metric tons	503	**905**
	%	0.4%	**0.8%**
Third-party certified Cotton	metric tons	**85,139**	**66,776**
	%	**75%**	**58%**[41]
Total Cotton Use	**metric tons**	**113,615**	**115,543**
Rubber			
Recycled	metric tons	564	**689**
	%	0.7%	**0.9%**
Total Rubber Use	**metric tons**	**76,141**	**78,896**
Ethylene-Vinyl Acetate (EVA) Foam			
Recycled	metric tons	978	**907**
	%	2%	**2%**
Total EVA Foam Use	**metric tons**	**61,053**	**53,055**
Leather[42]			
Flyleather	metric tons	53	**57**
	%	0.1%	**0.1%**
Synthetic Leather	metric tons	18,623	**16,031**
	%	36%	**26%**
Total Leather Use	**metric tons**	**51,647**	**60,502**

40 Total material use reflects EPM and conventional materials. As we've shifted data sources to enable more inclusive scope of measurement in our FY25 commitments, our percentage has dropped. We continue to explore ways to ensure we grow our sustainable cotton percentage in alignment with the expanded measurement scope.

41 Cotton and polyester data includes Nike Brand footwear, apparel, and socks and Converse footwear and apparel. Rubber, EVA foam and leather data includes Nike Brand footwear only.

42 All leather is Leather Working Group certified.

Materials library, NIKE WHQ – Beaverton, OR

50%

NIKE Footwear has a goal to reach 50% recycled polyester by 2025

Polyester

Valued for its lightweight performance, design versatility and durability (among other benefits), polyester is a material that you'll find in nearly every pair of NIKE Footwear. From the Flyknit in our most innovative football boots and running shoes to favorite sportswear icons, polyester is a core material for NIKE Footwear. Our use of polyester makes it critical that we focus on the conversion and scale of recycled polyester as a lever for reducing the overall carbon impact of our highest use material.

NIKE Footwear is tracking ahead of our 2025 goal of 50% recycled total polyester usage. At the end of FY21, recycled polyester made up 38% of NIKE Footwear's total polyester usage, double the amount from the end of FY20. Progress was driven by our focus on foundational polyester-based materials that cut across our product portfolio, such as laces, linings and reinforcements. In addition, we've prioritized converting textiles and yarns to recycled polyester used in innovative styles (such as Cosmic Unity and Space Hippie), our business volume drivers (such as Vapormax and Star Runner) and iconic silhouettes (Air Force 1 and Air Max).

NIKE Apparel's most important lever for carbon impact reduction is polyester because it makes up approximately 50% of our materials. In addition, conversion to recycled polyester is achievable with little to no compromise to material quality, performance and aesthetic.

In FY21, we saw a 12 p.p. increase for recycled polyester in apparel to 38% from FY20. Similar growth is projected for upcoming years as the strategy to convert our top volume polyester-containing materials to recycled versions plays out. Key apparel that featured recycled polyester in FY21 included the WNBA anniversary kits, ACG, and the club and federation kits for Global Football.

We have made great progress – NIKE is annually among the top users of recycled polyester in our industry. But we know more needs to be done.

Rubber

Rubber is the key outsole traction material used across NIKE Footwear. First and foremost, we're looking to reduce how much rubber is used to lower our impact. We aim to move to high-recycled percentage formulations that maintain material benefits while lowering environmental impact. In parallel, we're innovating ways to reduce the amount of rubber used through additive design and manufacturing while also exploring other materials and methods to replicate the performance of rubber at a lower impact.

Nike Grind materials

46%[43]

NIKE Footwear has a goal of 46% of our leather usage will be leather alternatives by FY25

NIKE Footwear aims to achieve our 2025 goal of 10% recycled rubber through greater use, by leveraging higher-percentage recycled rubber content per pair. Progress to date has been driven by using recycled rubber formulations primarily in black rubber outsoles in performance product. In the future, we want to standardize those formulations across footwear. Using current technology, increasing the percentage of recycled rubber can degrade performance and durability. We are working across our innovation and manufacturing teams and rubber compound suppliers to unlock high-performing recycled rubber options that meet our design and durability expectations.

Converse, well-known for its vulcanized rubber soles, has been exploring lower impact alternatives. In FY21, Converse successfully piloted and launched a new injection cupsole across core Chuck Taylor All Stars that do not feature the classic pinstripe. The initiative produces 60% less waste and between 1% and 6% lower energy consumption compared to the vulcanization method.

Leather

Long valued for its durability and style versatility, leather is a material synonymous with iconic NIKE Footwear. From the triple-white Air Force 1 and Air Jordan 1 to the Tiempo football boot, consumers value the look, feel and performance of leather. However, leather is also one of the highest impact materials for both carbon and waste used in NIKE Footwear. To achieve our 2025 goals, we're working to convert at least 10 p.p. of our leather usage to leather alternatives – this includes synthetic and recycled synthetic leathers, NIKE innovations like Flyleather and other traditional leather alternatives.

Due to the consumer preference for classic NIKE leather icons in FY21, leather models are outpacing the growth of the rest of NIKE Footwear, putting us behind our plan to achieve our 2025 goal. By the end of FY21, we started to reverse course and put strategies in place to accelerate toward our long-term goal. We aim to increase the use of Flyleather in the next two years, as we unlock options and additional capacity. We're putting innovation resources toward the exploration of other leather alternatives from non-animal sources. We're also scaling use of recycled synthetic and synthetic leather in our key essentials, in place of traditional leather.

43 46% based upon baseline data (finalized CY22), equivalent to +10 p.p. vs. FY20 baseline.

Flyleather scraps

Mayumi Yamse Air Force and Blazer 1 Collection

70%

sustainable cotton in FY21 by supplementing our use of recycled and organic cotton with third-party certified[44]

Cotton

Cotton use in NIKE Apparel is growing due to our focus on sport lifestyle product and T-shirts and we have long supported a 10% blending strategy for organic cotton. This puts NIKE among the top users of this key sustainable fiber globally. In addition, we feature organic cotton as a primary fabric content in key products such as our Kids/Girls NIKE Sportswear Jerseys made with at least 50% organic cotton.

For recycled cotton, FY21 was relatively stable as our team prioritized other material conversions (such as recycled polyester). Recycled cotton will become more of a strategic focus in FY22. Our ability to scale this material is dependent on the differing capabilities of suppliers and the quality/content constraints inherent in the mechanical yarn creation process. The main supply for recycled cotton is shredded textile waste from garment manufacturing, so increases in recycled cotton blending will coincide with higher closed-loop recycling rates and reduced waste at Tier 1 suppliers going forward.

In FY21, we achieved 70% sustainable cotton by supplementing our use of recycled and organic cotton with third-party certified cotton.

More Data

Carbon Data

44 As we've shifted data sources to enable more inclusive scope of measurement in our 2025 targets, our percentage has dropped. We continue to explore ways to enable growth of our sustainable cotton percentage in alignment with the expanded measurement scope.

Spotlight

FY30 Science-Based Target in Carbon

FY21 is the first year that we are reporting performance on our Science-Based Targets (SBTs). We committed to setting SBTs in FY17, and while the baseline for our targets was set against FY15 data, galvanized coordination around this work did not begin until FY19 when the targets were finalized. Since FY19, we have been working to make systemic changes across NIKE to achieve our SBTs, the impact of which we will be realized in the coming years.

Our SBTs represent the first full carbon footprint targets we've ever set and are much bigger than any of NIKE's historical carbon targets in both duration and scope. First, the targets cover the time period from FY15 to FY30, rather than our standard five-year target cadence. Second, the SBTs' scope reaches deeper into our supply chain than ever before and extends further than our direct influence. Lastly, SBTs are absolute targets, similar to our 2025 carbon targets. Prior to these targets, we've only had relative, per unit carbon targets.

These factors create a set of carbon targets that become more difficult to achieve as our business grows. While our 2025 targets help us make progress toward our SBTs, it doesn't guarantee success with our SBTs. This necessitates that we make progress in areas not covered by our 2025 targets in order to stay on track.

FY15–FY21 Performance

Scope 1–2

Our Scope 1 carbon emissions are increasing due to the expansion of our facility portfolio and the absence of scalable, lower carbon alternatives to replace natural gas and jet fuel. To counteract this increase, we continue pursuing energy efficiency opportunities and are exploring renewable natural gas and sustainable aviation fuel. In FY21, we developed an internal sustainable fuels policy to enable consistency in decision-making.

We have seen great progress with Scope 2 emissions, driven by renewable electricity through PPAs, vPPAs and onsite renewable energy. More information on our work can be found in the Carbon section of this report. As of FY21, we have seen a 55% decrease in our Scope 1 & 2 emissions since FY15.

Scope 3

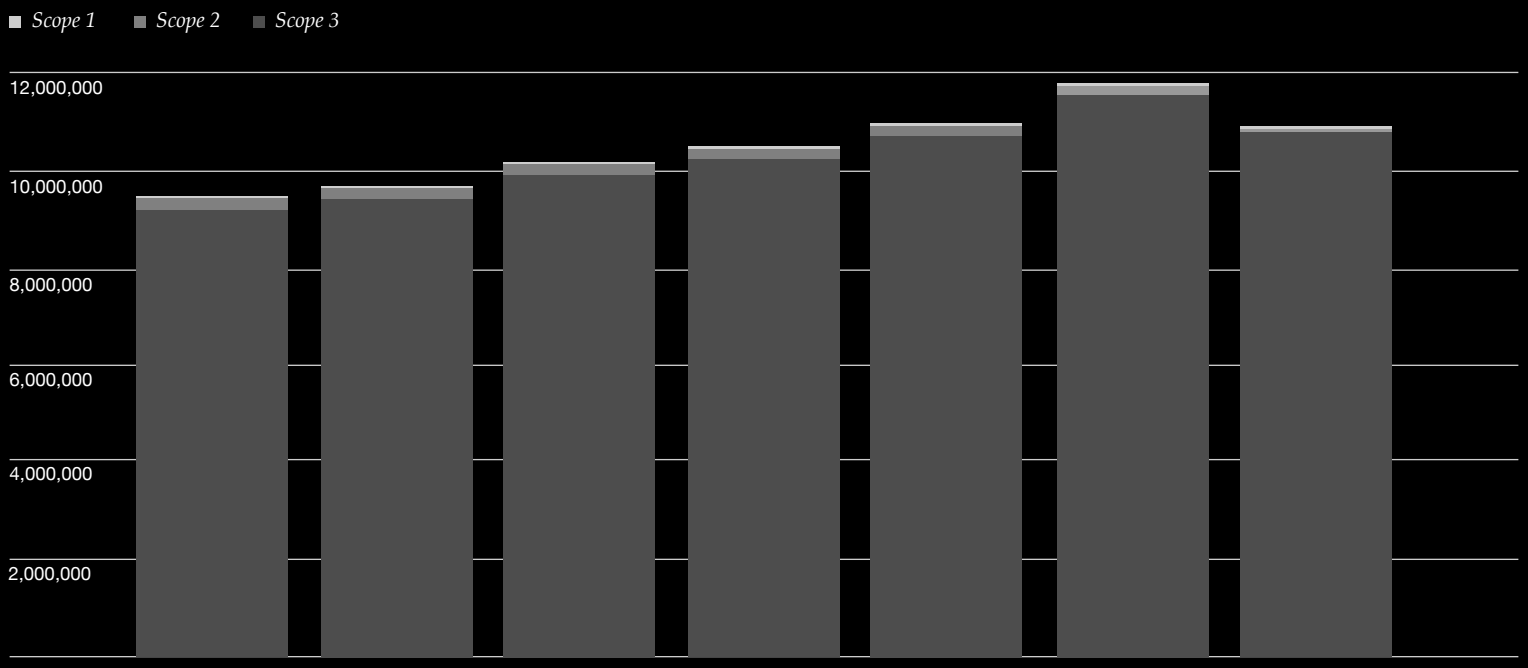
As a growth company, decoupling our emissions footprint from unit growth in the face of absolute carbon targets is a critical challenge to address. Our growth has contributed to our FY21 emissions footprint increasing by 17% versus the FY15 baseline. The increasing emissions intensity of the Vietnam electricity grid has driven up the manufacturing portion of our emissions footprint. Additionally, the use of higher carbon-intensive materials in footwear (such as leather) combined with increasing material use per product has also spurred much of the emissions growth. Another important consideration in understanding our progress is that as products that are out now in the market reflect decisions made three years ago, we're not yet seeing the impact of strategies and investments made since the announcement of the SBT.

To achieve this ambitious emissions goal we will focus on increasing environmentally preferred materials, converting factories to renewable energy and working across industries to accelerate change.

More Data

Scope 1 and 2 Emissions Data

2030 Science-Based Target: Scope 1, 2 & 3 Totals (Metric Tons CO_2e)



	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Scope 1	35,624	37,325	40,138	41,941	46,713	47,807	42,720
Scope 2	228,770	225,853	224,511	210,321	197,497	160,840	76,420
Scope 3	9,219,283	9,433,177	9,947,165	10,269,811	10,737,018	11,598,948	10,823,560

Focus Area

WASTE

Nike Refurbished

Zero Waste

Our vision is zero waste, period.
The traditional linear system of production, based on a take-make-waste model, is outdated and adds additional strain to the world's natural resources and ecosystems. Brands and suppliers are bearing the cost of producing materials that go to waste while simultaneously paying for disposal. Additionally, today's consumers, investors, governments and nongovernmental organizations (NGOs) expect brands to help be part of the solution.

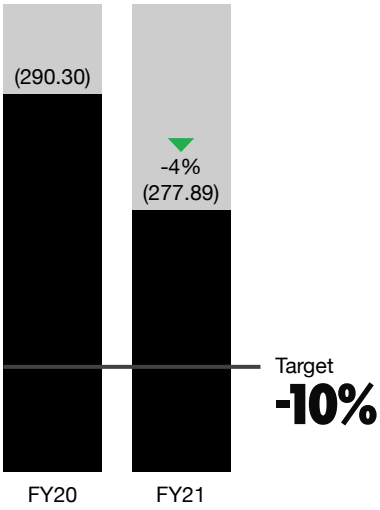
A more sustainable and circular future requires designing waste out of products from the start, optimizing manufacturing processes for maximum material efficiency, and then managing manufacturing material, end-of-life product and packaging via circular systems to preserve, recover, renew and regenerate its physical utility and economic value for society and the planet – now and for future generations. This requires an integrated, holistic approach where internal teams and external suppliers work together to continuously optimize the whole system.

Materials Stewardship Hierarchy

Waste must be managed responsibly. The core elements of our circular materials stewardship system include:

- **Waste material definitions:** Standardized definitions of waste generated across the enterprise based on specific characteristics relevant for planning, implementing and evaluating waste reduction; and recycling and disposition policies, strategies and programs.
- **Waste estimation and prevention:** Systems to estimate how much waste will be generated and what's driving it at various levels of analysis – from product components to aggregated waste streams at generation points across the enterprise – so it can be systematically minimized.
- **Data reporting and transparency:** Systems to enable data relating to waste generation, recycling and disposition to be captured, aggregated and distributed across the enterprise.
- **Material segregation and sortation:** Clear and enforced protocols for waste type segregation, sorting and storage to preserve material quality, utility and value.
- **Collection, transport and consolidation:** Logistics to efficiently collect, move and consolidate waste from points of generation across the enterprise to downstream handlers for recycling, energy recovery or responsible disposition.
- **Waste processing:** Operations that are co-located or downstream from points of generation across the enterprise that process waste materials into manufacturing feedstock that meet customer specifications for use in making new products. These operations may or may not be owned and operated by NIKE and may or may not process exclusively NIKE waste. Processing can take many forms, such as sorting, grading, grinding, shredding, baling, extruding, composting and various forms of biological or chemical decomposition.
- **Demand creation:** Business development activities to create market demand for Nike Grind materials – including rubber, foam, leather and textile blends from manufacturing scrap and end-of-life shoes – across NIKE product creation teams and with external global companies.
- **Feedback loops:** Systems that enable planned versus actual waste to be compared to inform continuous improvement.

Waste / unit (g / unit)



Quantitative Target

10% waste reduction per unit in manufacturing, distribution, headquarters and packaging through improved design and operational efficiency

NIKE engages with thousands of suppliers to make thousands of products and is constantly innovating. There are a myriad of potential drivers of waste that need to be systematically identified and eliminated or consistently controlled across the entire value chain if we are to achieve and sustain the global waste reduction target.

This 2025 waste target represents an expansion of scope of our 2020 targets. We now include packaging applied at supplier facilities and our NIKE owned and operated manufacturing facilities (Air MI) within the target. We remain on track to meet our target. We saw a decrease in Tier 1 footwear operational waste per pair driven by continued scaling of our targeted phylon midsole defect tracking and reduction program. We also encouraged wholesalers to order full case units, which drove down disposed waste per unit in distribution centers. Finally, our EMEA distribution center closed the loop on being 100% plastic free for all digital and B2B packaging deliveries.

Manufacturing

Waste of any kind is a signal of inefficiency, which can be a signal of cost and added environmental impact. Manufacturing NIKE products generates more than 120 million kg of waste per year. The upstream manufacturing of these wasted materials consumes resources, generates pollution and costs money. Reducing midsole and outsole defects – which are a major driver of waste – increases factory production capacity and reduces energy and labor per unit. Because waste that is prevented doesn't have to be bought or made into a new material via a recycling process, waste prevention has significantly greater environmental and economic benefits than recycling.

Increasing Scope: Waste Target

○ *Not in Scope* ● *Included in Scope* ● *Scope expanded*

	2015	2020	2025
Make	● Corporate Services *WHQ only (diversion)*	● Corporate Services *All HQs (reduction + diversion)*	● Corporate Services *All HQs (reduction + diversion + recycling)*
	○ Raw materials	○ Raw materials	○ Raw materials
	○ Materials manufacturing and finishing	○ Materials manufacturing and finishing	● Materials manufacturing and finishing[45]
	● Finished goods manufacturing[46] *FW Packaging (waste reduction), AP, AC (waste reduction); FW only (waste diversion)*	● Finished goods manufacturing *FW (reduction and diversion)*	● Finished goods manufacturing *FW + AP (reduction + diversion + recycling); FW, AP + AC packaging (reduction)*
Move	● Logistics *DCs (diversion)*	● Logistics *DCs (reduction and diversion)*	● Logistics *DCs (reduction + diversion + recycling + FPW)*
Sell	● Retail *Pilot 29 retail stores in U.S. (diversion)*	○ Retail	● Retail *(FPW)*
	○ Consumers	○ Consumers	○ Consumers
	○ End of Life	○ End of Life	● End of Life *(FPW)*

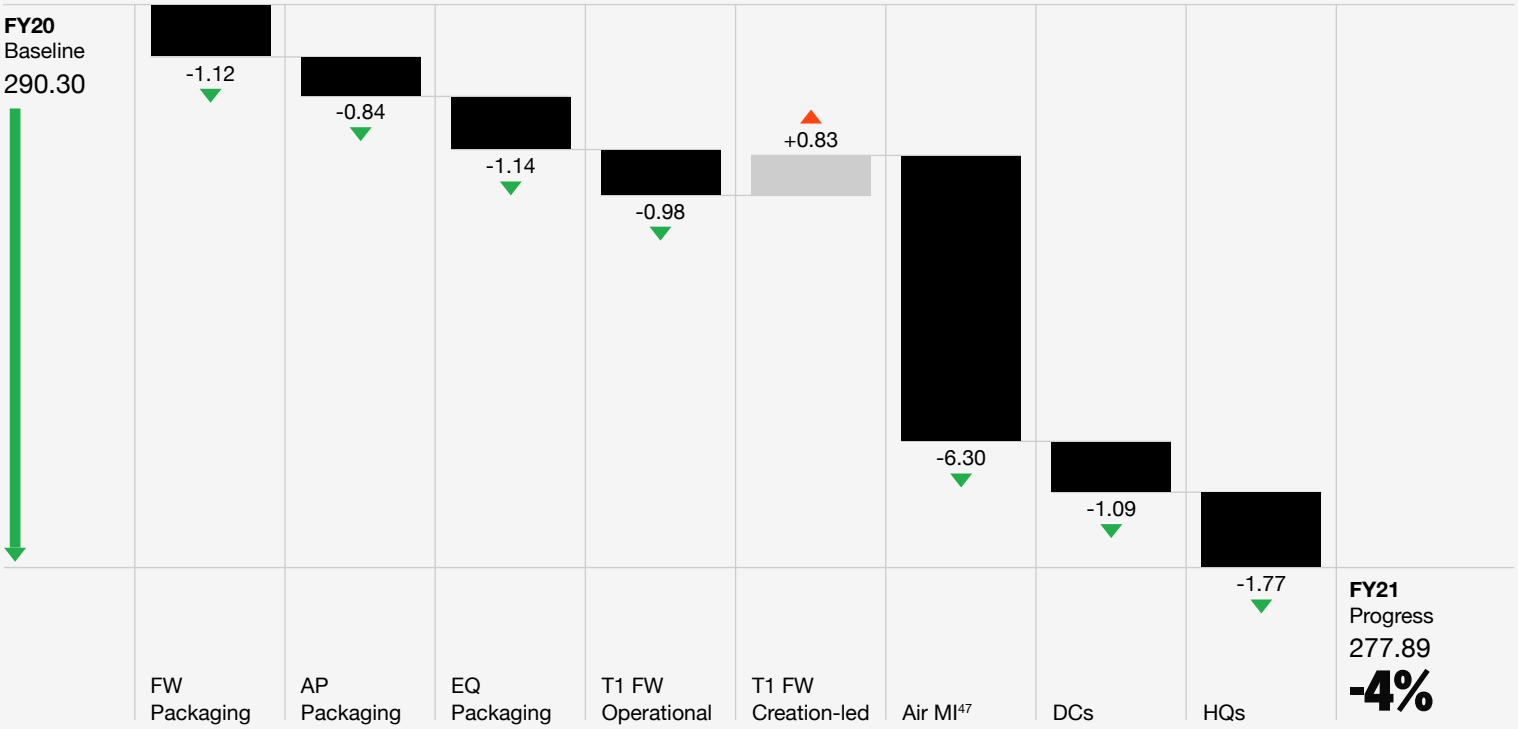
45 Air MI is now in targets scope.
46 Packaging target included a selection of shoeboxes only.

"I believe it's everybody's responsibility to advocate for change. We need to continue to reimagine this world and make it better."

Megan Rapinoe, Global football athlete

10% Reduction per Unit

▼ *Contributed to our goal* ▲ *Detracted from our goal*



47 FY25 targets represent the first time Air MI is in waste targets scope. We are working diligently to understood drivers. The data is being evaluated for potential revision in order to ensure it most accurately reflects the underlying waste and business conditions.

To prevent waste, we are focusing first on mastering the fundamentals by focusing on measurement. We can't reduce waste unless we measure it and understand what's driving it, so we continue to improve our measurement practices, particularly tracking bottom component defects to enable root cause analysis.

In FY21, 17 suppliers that drive 80% of midsole waste finished implementing systems for capturing midsole defect data and increased their use of this data to identify and address root causes. This resulted in a 30% reduction in phylon midsole defect waste, prevented more than 2.4 million kg of waste and prevented 9.4 million kg of associated carbon emissions.

NIKE Move to Zero Sun Club Pack

Building on this foundation, we designed and began piloting a system to aggregate bottom defect data from individual factories to enable analysis across factories to identify root causes affecting multiple factories. This system will be scaled in FY22 and FY23.

We also continued scaling a program to ship certain input materials to suppliers in reusable boxes instead of single-use cartons. By targeting material suppliers located near facilities where backhauling reusable boxes is practical, we prevented approximately 1 million kg of cardboard waste, reduced associated carbon emissions by 1.4 million kg and saved more than 120 million liters of water.

However, these savings were offset by increases in single-use cartons driven by increased consumer demand for franchise models made with leather. The cartons used for shipping leather are very heavy (up to 14 kg) and switching these to reusable boxes isn't logistically practical at this time.

Footwear

With footwear, we focus on per pair reduction, rather than total waste, because the number of pairs produced is driven by consumer/marketplace demand (not product/design teams). We identified the key waste streams by mass and overall impact and are concentrating our efforts on the biggest areas of opportunity. In footwear creation, our biggest waste streams mirror our high-impact material zones: leather, mixed textiles, foam and rubber are among the top impact areas.

Through FY21, our creation-led waste target was behind plan. While we've made progress in reducing synthetic leather and upper textile waste, traditional leather and polyurethane (PU)-coated leather continues to lead an increase in waste. Consumer demand for NIKE lifestyle icons (e.g., Blazer) is driving this increase usage. But, along with its carbon impact, leather is one of the most inefficient materials in a footwear production environment. To date, traditional leather waste is negating the gain we've made elsewhere and is contributing the vast majority of our incremental waste. More efficient leather alternative conversions are actively planned in key footwear products, with women's and kids' leading the way, but we will not likely realize the savings associated with these models until end FY22 and into FY23.

NIKE's seasonal collections

Closed-Loop Recycling
While our first aim is to reduce waste in the footwear creation process, we also want to create opportunities for reinserting the waste we create back into footwear product. Our goal is to leverage at least 25% of Tier 1 factory waste back into footwear. We work closely with the NIKE circular economy team to identify closed-loop opportunities in manufacturing centers and with our creation teams and suppliers to enable the conversion of the waste into new materials.

We are slightly behind our preferred pace to hit our 2025 goals, but we're confident we're building a robust plan to increase momentum over the next year or two. We have viable scale solutions in closed-loop rubber (the number one source for our recycled rubber is our own Tier 1 factory waste) and EVA foam. The greatest challenges come from converting synthetic leather and leather scrap to a viable new material, but we're working across NIKE innovation, manufacturing and suppliers to develop an outlet for those materials that can be put back into footwear.

Apparel

NIKE Apparel's goal is to increase efficiency in our product designs earlier in our creation and development process, which will reduce waste when those products are manufactured. This can be achieved through adjustments to patterns, which increase fabric efficiency in manufacturing, by using lighter weight materials where possible, and greater use of highly efficient methods of make, such as Flyknit.

Due to system upgrades, some key product efficiency data was unavailable in FY21. Once the upgrade is complete (scheduled for FY22), we will baseline key product efficiency metrics and work with our consumer creation teams to set waste reduction goals, develop tracking reports and incorporate them into our target dashboard. Using data developed for our 2020 targets, interim goals have been rolled out to our product teams to work toward until the data/systems upgrade is complete.

Packaging

The majority of NIKE's packaging in footwear is produced with over 90% recycled content. Our 2025 target is important as it leverages the previous success in increasing the recycled content to now focus on using less. Multiple projects have been initiated to achieve our goal of reduced packaging.

Spotlight

NIKE Approach to Changing Terminology

NIKE Footwear Designer

Language matters.“Waste” is material – material that meets certain criteria that cause it to be labeled and thought about as “waste.” How we define when material becomes “waste” and waste becomes “recycled” affects how waste problems and opportunities are defined, how waste reduction and recycling strategies are developed and evaluated, how waste impacts are measured and reported, and how environmental product claims are substantiated. NIKE products are made using a wide range of materials that are constantly evolving. This means our manufacturing waste streams are constantly evolving, too. How waste gets physically segregated and measured affects our ability to identify and act on waste drivers and recycling opportunities.

For these reasons and more, waste terms and definitions are foundational for our waste programs, and they need to evolve to keep this foundation strong as the materials we use change, and the way waste is thought about internally and externally evolves. To this end, in FY21, we reviewed waste terms and definitions internally and externally to assess if and where they may need to be aligned, standardized, updated or created. This included:

- Participating in the GRI Business Leadership Forum on the new GRI 306 Waste Standard
- Reviewing waste-related terms and definitions across a wide range of external standards and legislation governing corporate impact reporting and product marketing claims in our industry and across other industries
- Reviewing the boundaries of our waste accounting system to begin preparing for the multi-year process of developing 2030 targets
- Updating our internal Scrap Material Guide

Our objective is to continuously improve our foundation for measuring and communicating what matters in a way that accurately characterizes reality, is credible and trustworthy, enables NIKE to understand and take appropriate responsibility for the impacts associated with making our products, and is meaningful to stakeholders.

Early NIKE shoebox from 1972.

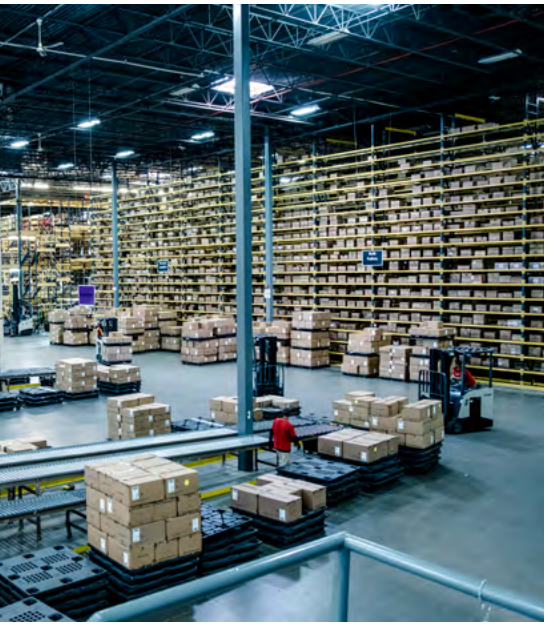
Key packaging highlights from FY21 include:

- NIKE has initiated a project to introduce two new sizes of shoeboxes used, improving the fit of the shoes within the carton. We utilized over 27 million of the improved fit shoe cartons in FY21, resulting in a reduction of 735,000 kg of corrugate waste shipped from suppliers in the first year of the transition. NIKE is also reducing the amount of toe stuffing used in our shoes and, in FY21, removed 2,232,176 kg of toe stuffing material from our packaging.
- NIKE is also reducing the weight of the shipping cartons utilized to ship product globally from footwear suppliers by 24%. In FY21, lighter weight footwear cartons reduced the shipping carton weight by 770,000 kg in the first year of the transition.
- As a signatory to The Fashion Pact, NIKE is also working to eliminate single-use plastics in our packaging by 2030. By December 2021, we had successfully eliminated plastic shoppers in our retail stores. We are teaming with other industry leaders to research options to replace apparel polybags with a more sustainable, non-plastic alternative. We are also working to eliminate plastic packaging for our digital shipments with a paper alternative and are making great progress across our geographies, with our European Logistics Campus 100% converted.
- We are phasing out all dunnage (both plastic and paper) in our distribution centers for the majority of our products. Dunnage is the filler material intended to protect the product from damage in transit. At the end of FY21, 84% of our distribution centers used zero dunnage.

Distribution Centers

Corrugated cardboard continues to be the key waste stream for disposed waste at our distribution centers. When customers order a variety of products or place orders of smaller quantities than factory case sizes, distribution centers must remove factory shipments from inbound corrugated cardboard cartons and repack them as customized orders – which inherently creates more waste. As online sales have grown, we expected corrugated cardboard waste to similarly increase due to needing to repack factory case sizes to smaller e-commerce order sizes, but it did not.

One impact of online consumer sales is that it can lead to increased corrugated cardboard waste when you have to repack factory case sizes to smaller e-commerce order sizes. As a way to mitigate the effects of increased online e-commerce sales, we looked to our other product flows fulfilled in our distribution centers, which include brick-and-mortar shipments to NIKE Direct stores and wholesalers' distribution centers



NIKE North America Logistics Center – Memphis, TN

Seb Coe Coffee Shop, NIKE WHQ – Beaverton, OR

and stores. We encouraged our wholesalers to order full-case factory quantities, which minimized the need to rehandle and repack for our wholesale volume. This compensated for the effects we saw from the growth of online sales.

At our European Logistics Campus, we moved toward 100% plastic-free digital deliveries, and all shipping boxes for Digital are now 100% recycled content. This was the next evolution in digital packaging improvement after a 50% reduction in our total outbound digital packaging versus the original design we offered two years ago.

Headquarters

At our headquarters (HQs) globally, we continue to focus first on eliminating and then diverting waste from our operations, with the ultimate goal of achieving zero waste. Onsite food, catering services and custodial services create the most waste at our headquarter campuses. We are tackling these sources through several initiatives: adopting reusable or recyclable items for food services, custodial services and employee events, tailoring food production to demand and creating awareness through employee education.

Converse One Box

In May 2019, One Box was piloted at Converse as an employee passion project to find ways to contribute less consumer waste during their sneaker shopping experience. With growing success, Converse currently uses One Box exclusively to ship personalized shoes and has shipped approximately over 1 million shoes since. NIKE piloted One Box in FY21 with a ship in own container for footwear, which eliminates an outer shipping carton for single digital footwear orders. NIKE has plans to continue to scale this program to help reduce our waste and offer a new consumer experience in the digital environment.

In FY21, waste per occupant at HQs was down 52% compared to FY20. This significant reduction is temporary and primarily driven by office space closures due to the pandemic. Over the last year, our team has made significant progress on permanent initiatives to reduce waste.

Our Food Services began piloting reusable containers for our Grab'n Go service offerings in preparation of return-to-work activities, and began developing a zero waste break room, eliminating many of the single-use items.

At our Converse HQ, the team started a reuse-the-box program in response to the increase in shipping of product samples due to the pandemic. This program has dramatically reduced the need for new boxes.

In GCHQ, we continue to create awareness through employee education and the promotion of relevant initiatives, moving toward achieving zero waste. In FY21, an additional 1,054 GCHQ athletes participated in the Bring Your Own Box/Cup program while 1,737 employees responded to the call of the Clear Your Plate Campaign to reduce food waste. In April 2021, GCHQ canteens officially replaced all paper promotional materials with electronic screen displays, as well as implemented utensils made with recycled materials.

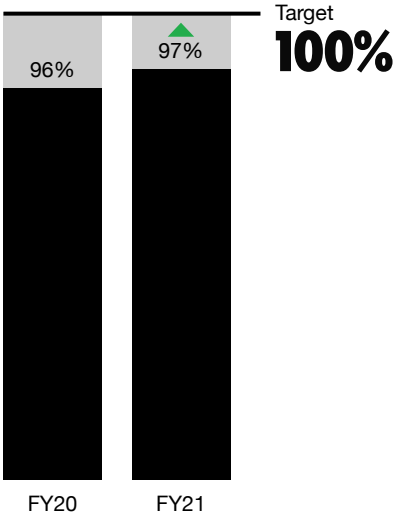
At WHQ, our custodial team reviewed many service items focusing on what could be switched from single-use to refillable containers or reusable. Our team was able to implement a number of items to reduce waste.

Due to the pandemic, we have paused some of this global work but will resume as soon as possible.

"Climate change is very real. You don't have to be an expert, but I think it's important for us to work together to make change happen. As athletes who love what we do, we won't be able to share that love for sport if there's no place to play."

Chloe Kim, Snowboarder

% waste diverted from landfill and incineration



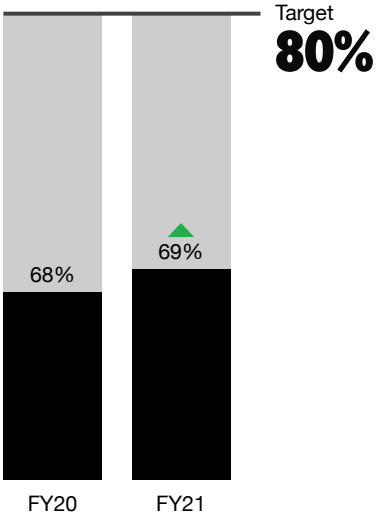
Quantitative Target

100% waste diverted from landfill in our extended supply chain with at least 80% recycled back into NIKE products and other goods

In FY21, strategic suppliers diverted 99.7% of waste from landfill, including achieving 100% landfill diversion from footwear manufacturing. In addition, we saw greater than 90% diversion across our distribution centers and NIKE owned and operated manufacturing facilities (Air MI).

We achieved our manufacturing (i.e., combined Tier 1 footwear/ apparel) open-loop recycling annual milestone through increased local downcycling and Nike Grind customer demand. The delta between diversion and recycling rates is primarily due to challenges in recycling mixed materials (e.g., synthetic leather, textile blends, laminated materials) and leather. As a result, these materials are sent to energy recovery.

% waste recycled



Waste Diversion

Footwear
In FY21, 100% of NIKE's manufacturing scraps at footwear suppliers were diverted from landfills through increased recycling and maintaining sufficient energy recovery[48] capacity for non-recycled waste. Approximately 7% of the waste that was generated was recycled through NIKE's closed-loop recycling programs, 43% was recycled into other companies' products or locally downcycled, and 49% went to energy recovery.

Apparel
We also exceeded the FY21 diversion target of 95% for strategic apparel suppliers. Strategic apparel suppliers were able to increase diversion rates by expanding open-loop (external) recycling and maintaining sufficient energy recovery capacity for non-recycled waste. FY21 was the first full year for NIKE Apparel suppliers to participate in the waste minimum program and for this data to be used for tracking and planning closed-loop recycling strategies. The waste minimum program provides a playbook, coaching and support for suppliers

48 Energy recovery is a process in which all or a part of solid waste is processed to use the heat content, or other forms of energy, of or from the material.

Penny's, Shelby Distribution Center – Memphis, TN

to set up basic waste programs. By implementing this program, factories establish a foundation for accurate and consistent reporting of key performance indicators (KPIs). It also creates an opportunity to reduce costs associated with waste disposal and increase revenue from the sale of waste resources. The waste minimum program enables suppliers to continuously improve efficiency and reduce risks associated with management of waste.

Distribution Centers

In North America, we launched a Drive to 100% Food Waste Diversion program in Memphis, the first of its kind to minimize and divert food and food-associated waste from the cafeterias of our distribution centers in the region. By including sustainability requirements in procuring our food vendor for these facilities, we signaled the strategic imperative of starting this initiative and found a dedicated vendor. We identified a composting vendor and supported its efforts to enter the region, and brought together six vendors to create and implement the program. The vendors included: ISS Guckenheimer (food services), Atlas Organics and Compost Fairy (composting), Vegware (product replacement), and SBM (Janitorial and Sustainability Team) and Immaculate Facility Services (janitorial). This work included product replacement, back-of-house food prep optimization, and employee training and education.

In July 2020, North America Supply Chain launched the first Mid-South composting and food donation program. In FY21, this employee-facing program resulted in 1,500 pounds of food donations to area nonprofits and 68,000 pounds of food waste composted. In addition, we came full circle and used the compost created for our facility flowerbeds.

Air MI

Air Manufacturing Innovation (Air MI) has a long history of recycling airsole manufacturing scraps back into new products within our manufacturing operations. We have now implemented this practice in our foam production business as well. During FY21, our team tested and scaled the ability to capture and recycle foam scrap from line startup and shutdown, and batch quality testing, into new foam pellet product. Over the course of the year, more than 50% of production scrap was captured and recycled in-house into new batches of product. Additionally, the team worked to reduce the overall scrap rate per unit of foam material produced.

Headquarters
At our workplaces globally, our waste focus areas are:

- Employee education on proper waste disposal to decrease contamination rates and maximize proper collection of compost and recyclables
- Continued progress on eliminating food packaging and other hard-to-recycle consumables
- Creating relationships with third-party vendors to increase donations to the community and manage hard-to-recycle items that cannot be processed by our local/city waste municipalities
- Continue to develop opportunities to utilize and reuse NIKE waste and other waste streams in the construction of NIKE workplaces

We have expanded our diversion efforts, ensuring that landscape debris, office supplies and furniture from moves, pallets and construction debris are diverted from landfill. We have also been able to increase annual product, furniture and office supplies donations through spring cleaning events to clear out items that accumulated in our offices. In FY21, globally, we saw great gains in landfill diversion, from 56% in FY20 to 69% in FY21. We launched a cross-functional waste task force across our service lines and a more stringent data collection process that has driven focus and progress on initiatives.

Major achievements in waste diversion for FY21 are:

- Our teams across the globe stepped up donation efforts, building new engagements to increase the amount of furniture, fixtures and equipment that could be donated vs. landfilled or downcycled. Our WHQ team partnered with The Van and began selling excess office furniture and our EHQ team launched a borrow-an-office-chair program to support work-from-home activities.
- Instead of buying new, at WHQ, we continue to increase our workplace furniture reuse program. We reused roughly 4,100 pieces in FY21 alone.
- At WHQ, we launched a glove recycling program working with TerraCycle, and in one year, our team diverted more than 250,000 individual gloves from landfill. The glove recycling program is strongly supported by staff and is a tangible, everyday way for our team to be engaged in the Move to Zero. Based on this success, we have expanded the program to collect and divert more food service and custodial gloves with the ambition to capture and divert all single-use gloves in our operations.

Nike Grind highlights in FY21:

55%

of NIKE's manufacturing scrap across footwear and apparel recycled

75%

TrafficMaster interlocking gym tiles made with at least 75% recycled rubber

25%

Nike Grind rubber in the top layer of docking mats used in Portland e-station pilot for ebikes and scooters

- At our Greater China HQ, the team has developed a "Shoe to Workplace" program where excess NIKE fabrics, and old employee shoes, are collected and remade into furnishings/construction materials for the workplace. This program is being leveraged for our campus expansion in China.

Open-Loop Recycling[49]

A higher-than-expected total waste footprint for FY21 put increased pressure on achieving the open-loop recycling target, as it increased the volume of waste required to be recycled. As a result, open-loop recycling came in 0.8% under target.

We recycled just over 55% of NIKE's manufacturing scrap across footwear and apparel, with increased demand from local recycling markets and global Nike Grind customers. Recycling markets continue to be stronger for apparel than for footwear materials.

Nike Grind
For nearly three decades, the Nike Grind program has been at the cutting edge of developing circular waste systems to reuse and recycle material waste from our footwear and apparel supply chain, helping keep it away from landfills and incineration.

Some Nike Grind highlights in FY21:

- The Home Depot began carrying TrafficMaster interlocking gym tiles made with at least 75% recycled rubber including at least 37% Nike Grind. Over 750,000 pounds of rubber waste were recycled through this product.
- A skateboard griptape made with 33% Nike Grind rubber recycled from footwear manufacturing scrap launched for sale online and in select skate shops. The griptape is manufactured and sold by Jessup, the official griptape sponsor of USA Skateboarding for the Tokyo Olympics.
- In collaboration with Lyft and the Portland Bureau of Transportation, Lyft developed and began installing ebike and scooter docking e-stations featuring at least 25% Nike Grind rubber in the top layer of the mats. The docking mats with Nike Grind were piloted in Portland and have since expanded to ebike stations in Denver and Chicago.

49 Open-Loop Recycling is defined as recycling of our FW waste by third parties into other products.

TrafficMaster interlocking gym tiles made from Nike Grind

- In FY21, we began supplying Nike Grind to Hero Flooring, a U.S.-based flooring company. Hero Flooring uses post-consumer Nike Grind rubber from ground-up end-of-life sneakers to develop rubber flooring. The flooring has been installed in NIKE retail stores, office spaces and beyond.
- The Nike Grind program was named as a top three finalist out of 86 applicants for Gartner's 2021 Power of the Professions Award for Social Impact in recognition of our cutting-edge circular supply chain.

In Q4 of FY21, global supply chains faced container shortages, particularly from shipments originating in Asia. As a result, shipments of Nike Grind materials to global recyclers were often delayed.

Nike Grind Footwear Waste Volumes Recycled (Metric Tons)

Waste Source	*Disposal Method*	*FY20*	*FY21*
Post-Industrial (Factory Scrap)	Recycled into NIKE Products and Recycled by Global Open Loop Customers	46,220	**50,569**
Post-Consumer + Unsellables[50] (Consumer Shoes + NIKE Samples and Defectives)	Recycled by Global Open Loop Customers	79	**170**
Total footwear materials recycled	Energy (MWh)	46,299	**50,739**

Closed-Loop Recycling[51]

In apparel, connections between Tier 1 product and Tier 3 recyclers/yarn suppliers are being made by a cross-functional team, prioritizing the diversion of 100% polyester textile waste to emerging chemical recycling suppliers. Availability of polyester chemical recycling suppliers (needed to recycle textiles into high-quality feedstock) has yet to scale in most of our key manufacturing countries though. Progress will be gradual until these programs are in place for future products.

Recycling 100% cotton and cotton-blended textile waste (which makes up the bulk of the scrap) is dependent on recycled cotton-containing materials being developed. This work is being coordinated across cotton fabric suppliers and is challenging due to different capabilities and technologies used between them. Closed-loop cotton waste recycling rates will remain the same until seasonal materials strategies are developed and catch up with supply. Due to polyester's carbon impact and availability of recycled yarns and fabrics, NIKE Apparel has prioritized recycled polyester in the near term.

50 Unsellables: Primarily include samples, defects and returns. Results do not account for Nike Grind footwear waste data from China, which includes unsellables only.
51 Closed-loop recycling, meaning how much of our own waste goes back into our own products.

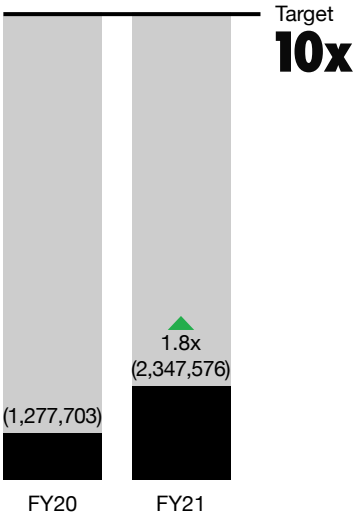
Footwear
NIKE Footwear's goal is to shift our existing waste streams back into our product via closed-loop recycling. We currently have a robust system for recycling rubber back into outsoles and continue to expand this while also developing new innovations that will allow us to reach our goal of 10% recycled rubber.

NIKE has also developed methods for recycling EVA back into our foam midsoles. This was piloted with select suppliers in Vietnam over the last year. While COVID-19-related supplier shutdowns slowed the initial expansion of this initiative, production has ramped up and closed-loop EVA recycling is growing.

We continue to conduct research and development, working with material innovation vendors to find solutions for harder-to-recycle materials like leather. With new recycling unlocks, including the ability to sort materials by type and color, we can significantly expand NIKE's use of waste materials back into our product.

More Data
Waste Table

FPW collected and recycled or donated (units)



Quantitative Target

10x the amount of finished product waste refurbished, recycled or donated

A product end-of-life is the biggest contributor to NIKE's waste footprint. This target reflects the efforts NIKE is taking to create a holistic, systems-approach to finished product waste and to create circularity, enabling NIKE to build the back-end operating model required. We create products with the intent to design out waste, avoid negative environmental impact, use material components that extend the product's life and consider how it can be returned to the fashion system as valuable feedstock. We want to create a consumer experience that empowers consumers to extend product life and reduce waste.

Our desired state will maximize refurbishment, donation and recycling to avoid landfill and waste. NIKE is working to create an integrated end-to-end process to resell, donate and recycle finished product waste based on its condition and business rules, extending the life of a product while ensuring it flows to its highest use.

Nike Refurbished

Our guiding principles are:

- Not to collect as much finished product waste as we can, but to maximize value, extend product life, and prevent product from landfill and incineration
- Positively contribute to our 2025 sustainability targets
- Deliver innovative and creative solutions that drive long-term business value
- Create a great consumer experience
- Be authentic and transparent
- Maximize local infrastructure

FY21 was a pivotal year in our journey. After multiple years of research, incubation and piloting, North America publicly launched NIKE Refurbished, the first NIKE-owned external sales channel for refurbished product. This channel is powered by an in-house refurbishment operation that receives NIKE inventory previously thought to be unsellable, refurbishes and grades it, and finds the best channel to extend its useful life. These channels include donation through Social and Community Impact partnerships and Nike Grind for inventory no longer in sellable or donatable condition. Publicly launched in March 2021, by the end of FY21, NIKE Refurbished was live in 15 NIKE United stores in the U.S. with aggressive scale plans slated for FY22.

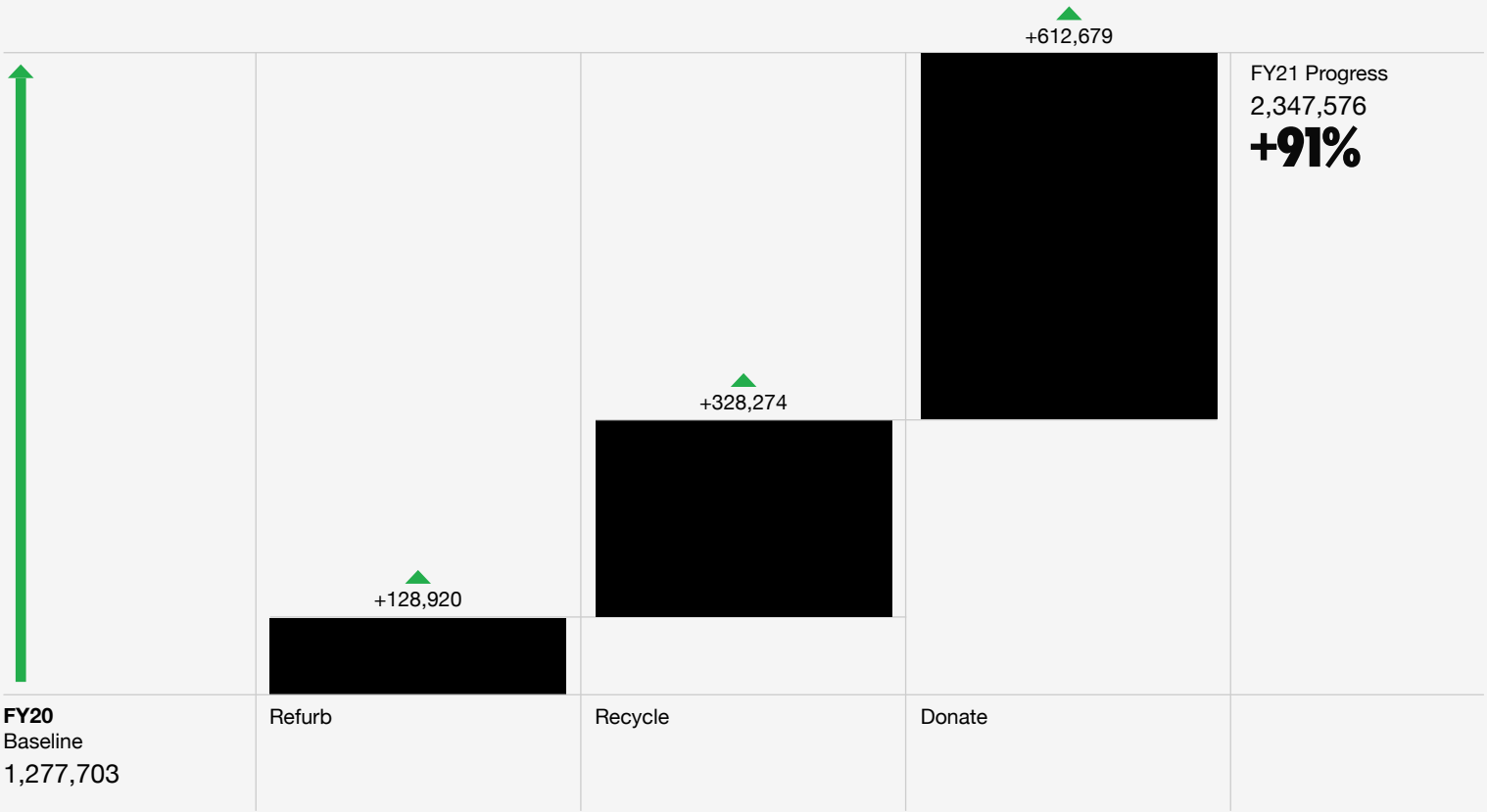
In June 2021, we launched key services across our geographies to tackle finished product waste, including a new takeback program called RAD (Recycle and Donation). This was a proof of concept in 22 stores across EMEA to takeback both end-of-life footwear and apparel product, working with recycling and donation vendors in the geographies to make the most of end-of-life waste. We are testing and learning with partners such as Soles4Souls, Wolkat, Really/Kvadrat and DenimX.

Greater China launched its first Reuse-A-Shoe program that recycles old shoes from consumers in China and converts them into Nike Grind material. This program was launched on our digital platform and in 65 NIKE store partner doors in Wuhan. From shoes collected from Chinese consumers and processed by Nike Grind technology, Wuhan Biyun primary school students, who experienced the pandemic, received two brand-new Nike Grind courts.

When we actively look for opportunities that connect our zero waste target with our Made to Play commitment to get kids moving, great things can happen. In FY21, through our partnerships with organizations like Delivering Good, Good Sports, Good360 and Soles4Souls, we were able to donate 1.2 million products to schools and community organizations. At twice the number we donated in the previous year, these products, which would have otherwise been recycled or destroyed, benefit the community and help remove some of the barriers that youth face when it comes to accessing and benefitting from play and sport.

The challenges we saw in FY21 were finding customers for recycling end material (specifically FPW Grind). We must continue exploring innovative use way to build consumer demand, and explore technology to advance circular business models and scale refurbishment plans.

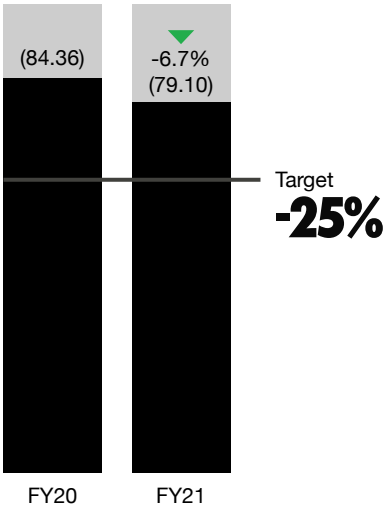
10x Finished Product Waste



Focus Area

WATER

Freshwater use/kg textile dyeing & finishing (L/kg)



Quantitative Target

25% reduction in freshwater usage (L per kg) in textile dyeing and finishing

For the past decade, the World Economic Forum (WEF) has listed water crises and impacts from climate change among the top five global risks. This is important for NIKE because our supply chain spans the globe and the impacts of an otherwise local water issue, such as a drought or flood, can ripple across the supply chain and affect the consumer.

Freshwater Reduction

We continue to execute against the strategy we developed in FY15–FY16, which has proven effective as demonstrated by significantly exceeding our FY20 freshwater reduction target.

This strategy has three components:

- **Create Awareness** among suppliers that water crises are real, and it's necessary to reduce our dependence on freshwater.
- **Drive Commitment** from suppliers to do their part to reduce their freshwater use. We collaborated with suppliers to establish freshwater reduction targets that will help us reach our 2025 target.
- **Build Capability** among suppliers so they are executing their freshwater reduction targets using generally accepted best practices for water management and wastewater treatment. The indications are that training and adoption of best practices are not consistent or robust. As a result, in FY21, we put special emphasis on training and capability building.

We ended FY21 with a 6.7% freshwater reduction from our FY20 baseline. That is more than a quarter of the way to our 2025 target with four years to go.

The Ningbo Shenzhou Knitting Company, Ltd., reduced its freshwater use in FY21 by 13.9% (FY16–FY20: 39%); and its sister facility – Gain Lucky – in Vietnam reduced its use by 8.6% (FY16–FY20: 9.7%). Shenzhou Group achieved its progress primarily thorough investments in low-liquor dyeing equipment and manufacturing efficiencies. In addition, the Far Eastern Group's Vietnam facility delivered a 9.79% reduction by focusing on wastewater recycling using one of the largest textile wastewater recycling systems in all of Vietnam. These three facilities represent approximately 35% of the materials production for the in-scope suppliers for our 2025 water reduction target. Since FY15, the number of wastewater recycling installations has continued to increase to the point where wastewater recycling is a standard feature of any new construction by suppliers.

Surfers in Hainan

Spotlight

Brave Blue World Foundation

In FY21, the NIKE water program was recognized by the Brave Blue World Foundation as a global leader and industry role model for driving water sustainability in the footwear/apparel supply chain. Specifically, through collaboration and engagement, sportswear multinational NIKE has encouraged its suppliers to explore ways of reducing water used in their manufacturing processes. This has enabled textile and apparel supplier Vertical Knits to introduce innovative water recycling and manufacturing process improvements at its site in Yucatán, Mexico, reducing freshwater use by 85% per kg of fabric. It has also achieved a 50% reduction in energy savings. The project will significantly reduce NIKE's overall water footprint, as well as the ease the impact on supplies at a local level.

External Engagements

CEO Water Mandate: *Our commitment to water stewardship, exemplified by joining the United Nations Global Compact (UNGC) and reporting annually on progress.*

Water (million liters)	*FY20*	*FY21*
Textile Dyeing and Finishing[52]		
Municipal/City Water to Facility	13,277.6	**13,067.5**
Ground Water	4,804.5	**4,391.4**
Surface Water	2,102.4	**1,466.9**
Rainwater Collection	34.5	**16.5**
Condensate Use	390.6	**395.7**
Total Freshwater Use	20,609.5	**19,338.0**

Wastewater Compliance and Capability Building

As mentioned in previous reports, full compliance to the ZDHC Wastewater Guidelines by suppliers has been one of our greatest water-related challenges. We are making significant progress. In FY20, 69% of focus suppliers (24 facilities) fully complied with the ZDHC Wastewater Guidelines; and in FY21, 74% of compliance list suppliers and finished goods suppliers (104 facilities) demonstrated full compliance. Whereas suppliers have made excellent progress in removing manufacturer restricted substance list (MRSL) chemistries from their manufacturing, many suppliers find challenges with achieving the ZDHC foundational limits for the conventional parameters that are always present in wastewater.

Capability building is a key unlock for suppliers that treat their wastewater. In FY20, we assumed a leadership role to define “capable” through the development of the ZDHC’s Wastewater Treatment System Operator Minimum Qualifications Guidelines; and NIKE became the first ZDHC brand to commit to adopting this guideline, which takes effect on January 1, 2024. In FY21, we started training suppliers. We collaborated with DuPont Water Solutions to provide four 8-hour, online training sessions on ultrafiltration and reverse osmosis. Two sessions were held in English, one in Mandarin and one in Vietnamese in two-hour blocks over a month. Over 300 water and wastewater operators and engineers in the Greater China, Vietnam, Thailand, Indonesia and Malaysia attended the full eight hours. In addition, we also collaborated with Greeley and Hansen, a Chicago-based engineering firm, to provide eight hours of wastewater operations and troubleshooting training over a month in Spanish to approximately 50 wastewater and operators at suppliers in North, Central and South America.

52 Includes focus suppliers only. Focus suppliers represent key suppliers involved in the dyeing and/or finishing of materials, which directly support footwear and apparel finished product assembly.

Surfer in Hainan

Marcus Rosten, Environmental educator

In recognition of World Water Day on March 22, 2021, we gave strategic suppliers around the world nearly 200 copies of the Water Environment Federation Wastewater Treatment Fundamentals training manual in English, Mandarin, Vietnamese and Spanish. In FY20, NIKE sponsored the Mandarin translation of this 700-page training manual.

As January 1, 2024 approaches, we remain active with the ZDHC Foundation, training providers and other external stakeholders to enable the right infrastructure is in place to train and test the wastewater treatment operators in all parts of the world so they can meet the expectations of this new guideline.

Spotlight

Microparticles and Microplastics Research at NIKE

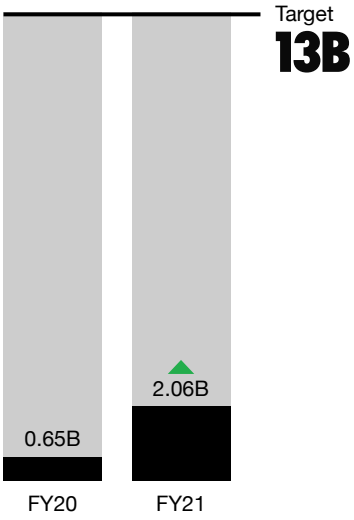
Microparticles and microplastics have been an emerging issue in the footwear and apparel industry in recent years. NIKE joined The Microfibre Consortium (TMC) and has assumed a leadership position in the development of the TMC Guideline to control microfibers and microparticles in textile wastewater. In conjunction with this guideline, NIKE has invested in research to examine how to measure and control microparticles in textile wastewater. Current approaches do not measure smaller particles, are highly prone to contamination and lack standardization.

In FY21, not only did we help to identify a commercially available method to measure microparticles down to two microns, but we validated a method to capture and help prevent the discharge of those microparticles into the environment through textile wastewater by using ultrafiltration. This is the same ultrafiltration as one of the two fundamental building blocks to a textile wastewater recycling system. We look forward to sharing more as we make progress on this crucial issue.

"The Earth is our one and only playground. What happens when climate change makes our playground unsafe to play in? It's women, youth and underrepresented groups who will suffer first until everyone suffers from it. We don't need an environmental catastrophe to realize our playground is in danger."

Ada Hegerberg, Global football athlete

Water restored (L)[53]



Quantitative Target

13 billion liters restored through a portfolio of projects that support long-term resilience for water-stressed ecosystems and communities within our extended cotton supply chain

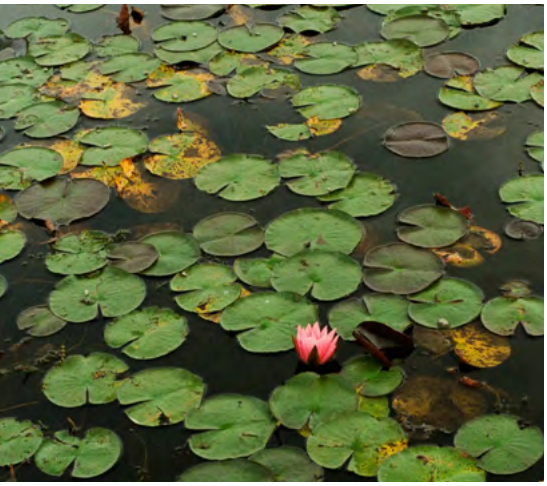
As the global climate changes and creates localized shifts in precipitation patterns, impacts to water availability and quality are critical to consider. Many of the regions that NIKE supplies cotton from face one or more water stressors, including periods of drought and water scarcity, heightened storm severity and flood events, and increased levels of water pollution. By focusing on projects that support the long-term sustainability of water sources and promote improvements to water quality, NIKE not only supports the resilience of our cotton supply chain but also the communities that grow it. These communities include the farmers and surrounding populations that rely on safe water availability, as well as the organisms in the local ecosystems that share those water resources.

In order to achieve this target, NIKE is establishing a portfolio of projects located specifically in the water basins that suppliers source cotton from. The project portfolio centers on three primary focus areas: water restoration and protection, water for productive use and water access.

In FY21, NIKE completed two water restoration projects in Australia and India. In Australia, NIKE supported the legal establishment and registration of a covenant that enables conservation management in perpetuity of 84,000 hectares of land in the Murray-Darling basin. This project will allow regeneration of the land to a more natural state and prevent future commercial development. With this land use change, the region will see improved water quality through decreased sediment and nutrient loading, as well as increased water quantity through reduced runoff volumes and higher rates of absorption.

In India, NIKE supported conversion of 30 hectares of farmland to drip irrigation practices in Maharashtra, engaging 75 farmers (17 of whom were women) in the project activities. Shifting to the use of this precision irrigation method will help conserve water through increased efficiency in the drought-prone district.

53 This metric is based on more than $550,000 in funding from NIKE which is part of Management's Assertion on select sustainability metrics, for which has performed limited assurance over the cumulative funding since inception through May 31, 2021, as indicated in the Report of Independent Accountants.



Niagara River tributary – Buffalo, NY

Marcus Rosten, Environmental educator

Water restored (L)	*FY20*	*FY21*
Australia	650M	**2.05B**
India	0	**11.7M**
Total	650M	**2.06B**

Although NIKE's project partners were forced to cancel plans to continue project work for a second year in India due to reprioritization of resources for COVID-19, additional work toward the target continued. While wrapping up the aforementioned projects, NIKE also laid the groundwork for future projects to begin in FY22 that will bolster existing efforts in Australia and expand our project portfolio to additional priority communities in our extended cotton supply chain.

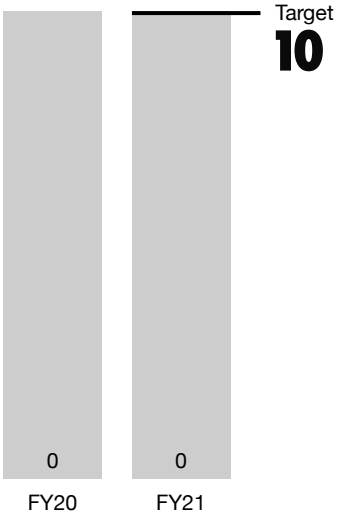
Work highlights included making substantial strides toward achievement of the target, engagement and empowerment of indigenous communities and women, and improvement to the biodiversity of the local ecosystems within the Murray-Darling basin.

One of the main challenges we faced was the cancellation of a second year of work in India due to the COVID-19 pandemic and reprioritization of funds, requiring us to instead look for alternative options for project opportunities.

Focus Area

CHEMISTRY

priority chemistries with clean chemistry alternative



Quantitative Target

Adopt clean chemistry alternatives for our 10 priority chemistries across our supply chain

Chemistry provides the foundation of our materials and products. From raw-material processing to product creation to new methods of make, chemistry lets us innovate and influence design, performance and sustainability throughout the value chain. Every NIKE product and initiative leverages chemistry. NIKE's industry-leading approach to the use of chemistry has elevated product performance and shaped manufacturing while reducing the use and impact of hazardous substances.

Because chemistry is essential in all materials and products, it is also essential that we take a responsible, proactive role in managing our chemical footprint. Selecting and creating cleaner chemistry materials leads to benefits in our health, our planet and our future. Integrating cleaner chemistry into NIKE products supports circularity by avoiding hazardous substances, supporting material reuse for years to come.

Our cleaner chemistry work begins with our foundational requirements set forth in the Code, requiring all suppliers to properly manage chemistry and create approaches to meet our Restricted Substances List (RSL) and MRSL requirements. Publishing our first RSL over 20 years ago, we launched our Chemistry Playbook in 2018, updating it annually with the latest information on RSL, MRSL and chemicals management information.

In FY21, we met the foundational expectation that our products will meet our own RSL guideline, with no chemical issues identified in finished goods that exceeded these limits. More than 98% of our materials passed RSL testing upstream, with the remaining 2% improved before use in production.

Nike Grind outsole

Making bio-materials

It is imperative that we have transparency into the chemicals used to create our materials and products. We call this chemical visibility, and we are scaling industry tools to capture supplier inventory conformance to the ZDHC MRSL. We continue to expand the scope of our MRSL conformity program year on year across the majority of our materials production. While this approach will not give us complete information on every substance in use today, it helps ensure that any MRSL listed substance is banned from intentional use. This is another step on the journey toward realizing full chemical traceability and visibility.

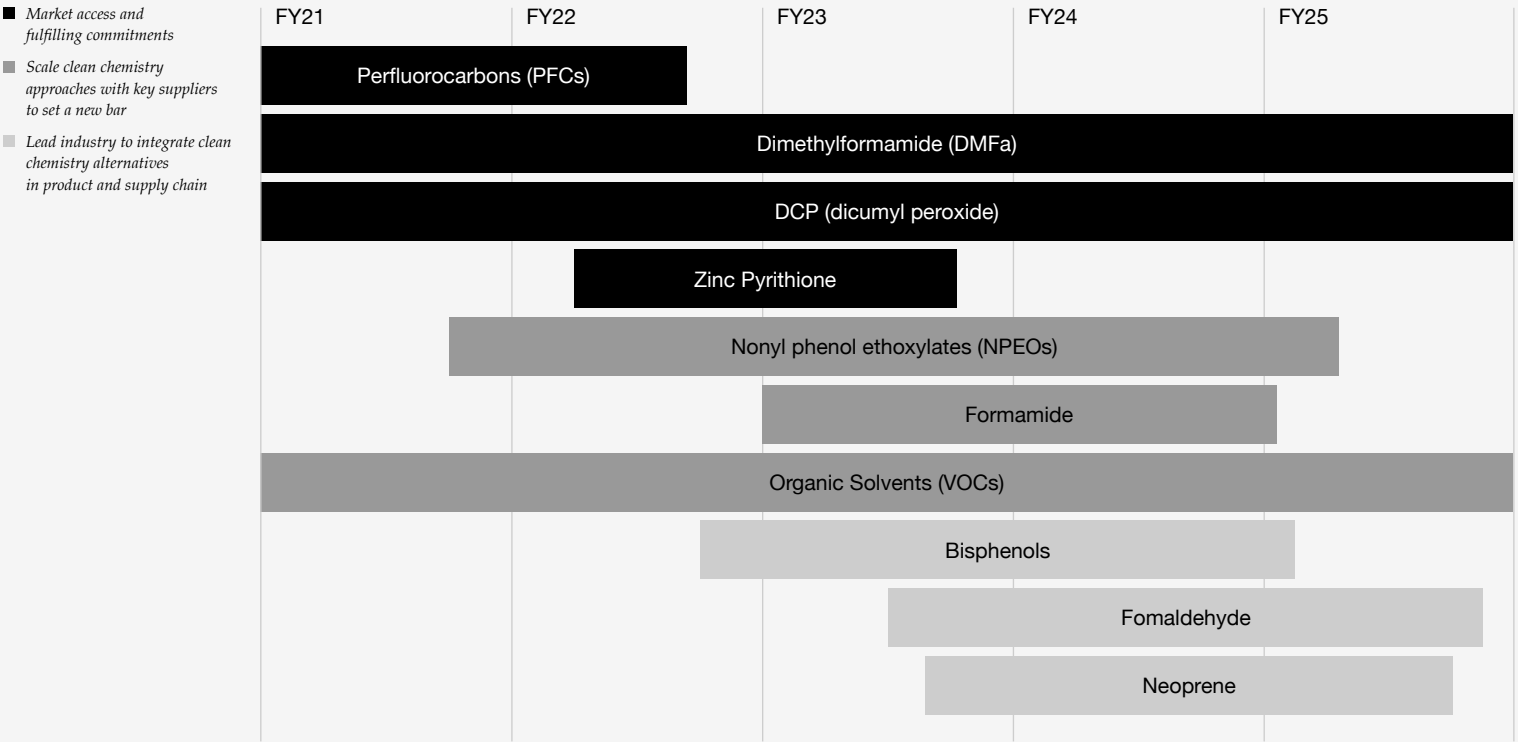
Industry alignment remains the key to success for our compliance focused work across a shared supply chain. We continue to support and drive development of transparent guidelines, tools and training programs within our industry through collective action work in groups such as the Apparel and Footwear International RSL Management (AFIRM) Group and the ZDHC Foundation.

The successful scaling of these transparent guidelines supports suppliers by reducing conflicting requirements and offering capability improvements where needed. Together, these programs continue to accelerate us toward realizing the vision of zero discharge of hazardous chemicals.

We also have an opportunity to move beyond compliance and accelerate the adoption of cleaner, more sustainable chemistry that moves us closer to the vision of responsible and circular design and manufacturing. We will continue to use chemistry to create innovations that support athletes while we move toward smarter, greener chemistry inputs.

Our assessment process for new chemistries provides a consistent measure that can be used across a variety of chemistry types. Our process has been in place since early 2018, and we've found it to be a valuable tool for enabling new chemistries support NIKE's sustainability goals. As part of the assessment, chemistries new to NIKE are evaluated against the same criteria, covering a range of attributes. For example, it checks if they are regulated in any regions where we sell products or if the formulation contains any chemistries of concern. Based on performance against each attribute, the assessment provides a score that can be used to compare formulations. The process is also adaptable so when we identify new attributes or proposed regulations we can quickly determine if any of the chemicals we've evaluated previously present a risk to the brand from their use.

Adoption of Clean Chemistry Alternatives[54]



54 Approximate timeline for when clean chemistry alternatives are estimated to be adopted. Timeline represents point in time, not full year or trailing 12-month view.

Move To Zero TPU Jacket

We created a list of 10 priority chemistries where we have a target to go beyond our baseline compliance obligations. These priority chemistries continue our journey toward cleaner chemistry, solving specific challenges that we have uncovered, and helping us advance safer materials flowing into and through a circular economy.

We believe that our success in meeting our chemistry compliance goals gives us the opportunity to work toward our ultimate vision of more sustainable chemistry and zero discharge of hazardous chemicals.

Several of the 10 priority chemistries are not currently covered by any compliance obligations. However, because of quickly changing regulatory landscapes and our commitment to sustainability, we've decided to identify and adopt cleaner chemistry alternatives to replace them, hopefully setting an example.

One example is bisphenols in receipt paper. While bisphenol A has been restricted from use in many regions, often its replacement is another bisphenol that isn't regulated yet. With this target, we aim to stop using any bisphenols in receipt paper and use a more sustainable alternative.

DMFa is regulated and on the RSL but the regulated limit does not disallow for its use. We decided that we needed to not just meet the RSL limits but work with material suppliers to eliminate DMFa completely from synthetic leather production.

Zinc pyrthione is used for odor management in textiles. It is not currently regulated but information about its potential impacts leads us to reevaluate our use. Based on the new data, we have a target to remove zinc pyrthione from our supply chain by 2025.

Adopting these cleaner chemistry alternatives is NIKE's 2025 chemistry target. For substances such as formaldehyde and NPEO, which have been restricted on the RSL for years, our targets are for specific areas where risks still exist for their use, including in recycled content streams.

For the majority of our 10 priority chemistries, the focus in FY21 was on establishing multi-year plans to achieve targets by 2025. We expect to see measurable progress toward these targets in FY22 and beyond.

At the end of FY21:

85%

of footwear uses PFC-free finishes

100%

of accessories use PFC-free finishes

72%

of apparel uses PFC-free finishes

In FY21, we drove substantial progress in our PFC phase out[55]. Since 2015, the use of any C8-based fluorinated chemicals has been banned in our products. In 2017, we set a target to eliminate all PFC-based finishes from our product line. We're doing this without sacrificing our high durability, performance standards or aesthetics. We made significant progress in our goal as we approached our target to eliminate PFC-based finishes by the end of the 2021.

We focused on the most challenging material types and designs to enable us to achieve our target on schedule. Removing PFC-based finishes, especially in high-performance materials, requires product-by-product optimization and involves teams across the product creation process.

Throughout our phaseout, we have made a point of completing a toxicology assessment on all PFC alternatives to help enable better chemistry to be substituted into the supply chain. Our continued success and progress toward our goal of 100% PFC-free durable water repellents was made possible by close collaboration with material and chemical suppliers.

Highlights and Challenges

- **Solvents:** Our work to reduce the use of solvents in footwear manufacturing has been in progress for more than 20 years. Between 1995 and 2014, NIKE reduced solvent use by 96% per pair of shoes through the adoption of water-based adhesives. But we know there is still opportunity for improvement. FY21 was a year of looking for opportunities to meet our 10% reduction target by reviewing models, production numbers and solvent fractions in key areas where we use solvents, including in inks and paints applied to footwear. Lacking an industry approach with tools to monitor and calculate volatile organic compound (VOC) reduction, we are building the tools to collect further information. Once these tools are available, we can leverage them in other areas.
- **NPEO-free recycling processes:** While critical to advancing circularity, the use and reuse of materials from outside our typical supply chain presents challenges for ensuring chemical constituents in the product. As we consider new and different recycled or upcycled material streams, we face new challenges in ensuring these materials meet our extensive chemical guidelines. Each input stream, whether it is from our industry, from other industries, or pre- or post-consumer items, creates distinct challenges for brands to manage. Ensuring post-consumer materials are processed and prepared in a way that

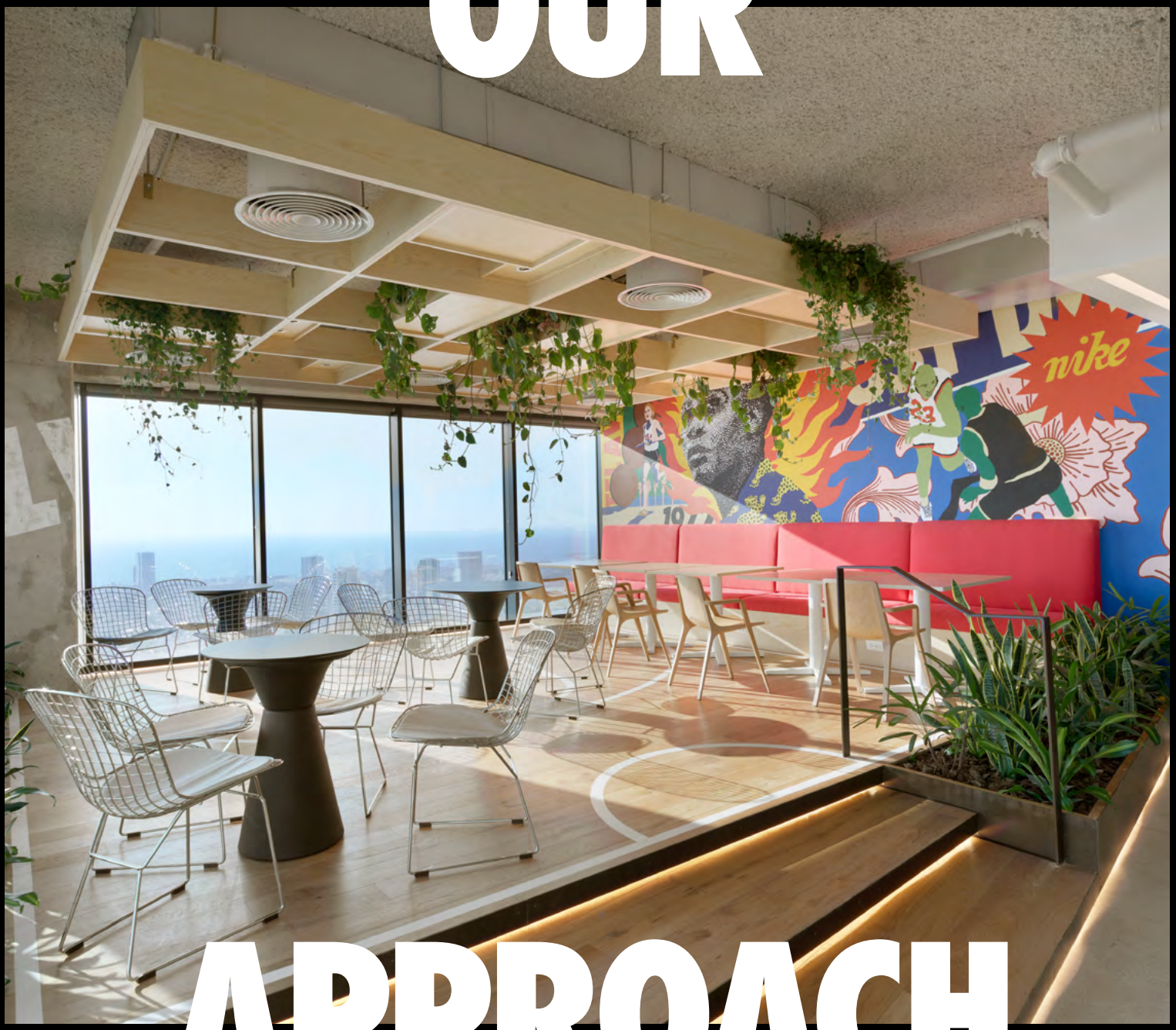
55 Our PFC phase out includes all per- and poly-fluorinated (PFAS)-based finishes.

will not add in restricted substances is the basis of one of our top 10 priority chemistries in ensuring an NPEO-free recycling process. The lessons learned and systems developed to achieve this target will provide a roadmap for addressing similar challenges with other legacy chemicals that add complexity to circularity.

- **Unintended consequences:** Addressing our 10 priority chemistries is just one piece of our overall sustainable chemistry journey. We are also working to enable the cleaner chemistry alternatives we champion, and any new materials used in product will not become problematic in the future through our chemistry assessments. Our chemistry experts go beyond simple hazard identification when evaluating chemicals. We compare chemistry options at many steps along the way, where we collaborate with designers, chemists, engineers, safety professionals and more.

All of this work is required to make the right chemistry selection for NIKE, our athletes* and the planet. This drives our sought-after adoption of cleaner, more efficient, better chemistry. We anticipate that our 2025 target will not just change the course of NIKE's chemistry journey but influence the sustainable growth of our whole industry.

OUR APPROACH



About This Report

Note:
The information in this report and NIKE, Inc.'s corporate responsibility/ sustainability reporting and website, inclusive of charts, graphs and discussion, and all other information presented, may contain forward-looking statements, estimates, or projections based on expectations as of the original date of those materials. Those statements, estimates and projections are subject to certain risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed in our reports filed with the U.S. Securities and Exchange Commission, including Forms 8-K, 10-K and 10-Q. Presented information may also discuss previously non-public financial and statistical information. All information was current only as of the date originally presented. We do not update or delete outdated information contained in website materials, and we disclaim any obligation to do so. All content is the property of NIKE, Inc.

This NIKE Impact Report represents the first year of performance against our 2025 Purpose targets. This set of 29 enterprise targets, plus the corporate commitments with a longer time frame – like our Science-Based Carbon Target (2030) and Net Zero Target (2050) – form an aggregated view of NIKE's long-term goals and public targets to meet stakeholder[56] expectations and align with NIKE's business priorities.

When we reference NIKE, Inc., unless otherwise stated, we are referencing our portfolio of brands including the NIKE Brand, Jordan Brand and Converse.

This report covers NIKE's fiscal year 2021 (June 1, 2020, through May 31, 2021). We will refer to the fiscal year as FY21 and the calendar year as CY21 in the report. Unless otherwise stated, the baseline for our 2025 targets is FY20.

Building on NIKE's reporting tradition since 2002, we expect to continue reporting annual progress toward our social and environmental targets and priority issues.

We have obtained external assurance on select reported metrics, including energy consumption and renewable electricity use in owned or operated facilities; Scope 1 and 2 greenhouse gas (GHG) emissions; a subset of Scope 3 GHG emissions including: commercial air travel, inbound logistics and outbound logistics; cumulative water restoration funding; and select diversity and inclusion data. More information can be found in the Appendix.

This report has been prepared by NIKE management under the oversight of the Corporate Responsibility, Sustainability & Governance Committee of the NIKE, Inc. Board of Directors.

This report, our **FY21 SASB Summary** document and all NIKE's historical Impact Reports are available at purpose.nike.com/reports.

This report has been prepared in accordance with the **Global Reporting Initiative (GRI) Standards**.

56 Stakeholders are broadly defined as customers, consumers, shareholders, employees, communities, NGOs and academia.

50

FY10/11 Sustainable Business Performance Summary

NIKE did meta-trend analysis and future casting to refine our overall sustainability strategy

20

Issue Prioritization

At NIKE, purpose guides us because we believe progress is possible. We'll never stop striving for better – whether it's understanding the issues we impact, the change we can lead or the future we shape – together.

We have updated the results of our issue prioritization by gathering direct and indirect insights from key stakeholders, integrating internal metrics, benchmarking key companies, monitoring regulations and performing news and media scans to determine the most relevant issues for our company and the impacts most directly linked to those issues. We worked with Datamaran, an organization that identifies and monitors ESG risks and opportunities on an ongoing basis – by scanning regulatory, media and corporate disclosure environments.

As in the previous assessment, we commissioned GlobeScan – an independent insights and advisory company – to conduct the overall analysis of our issue prioritization.

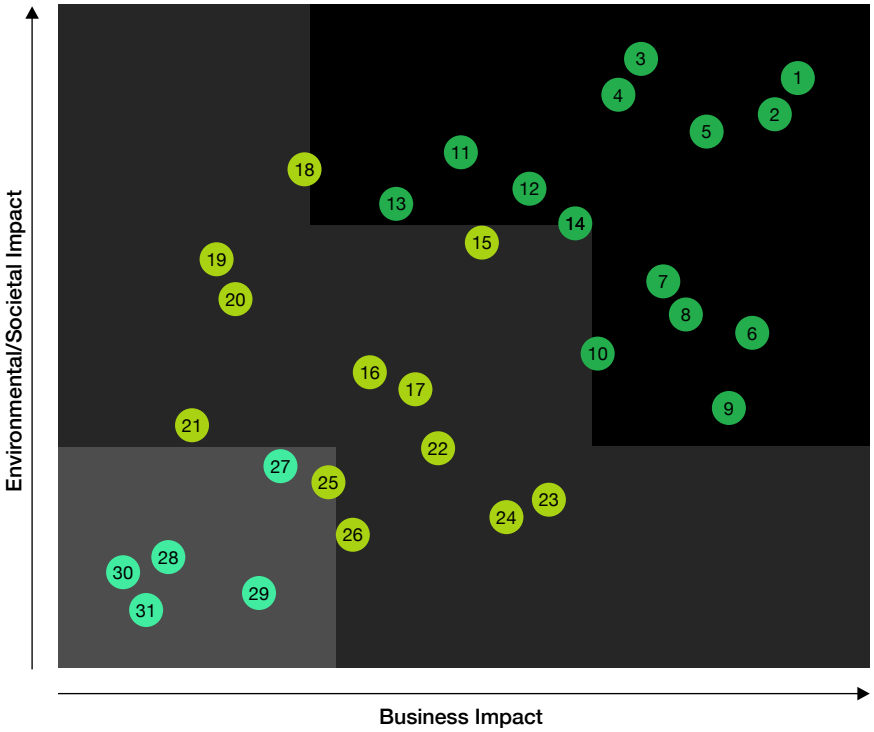
We assess priority issues in two ways:

- By assessing the issues where NIKE Inc. has the potential to impact the environment and society (outward Impacts), seen on the Y axis
- Issues that could impact NIKE's business and financial success (inward Impacts), seen on the X axis

Together, these views help determine which issues are essential for NIKE, Inc. to address and strategize around in order to minimize risk and make the most progress toward positive change.

Note that all of the issues identified on the matrix are considered important to NIKE. The top 14 issues in the upper right of the matrix are considered essential priorities. We know that many, if not all, of these issues are interconnected, with management of our top issues being dependent on how we manage other issues identified on the matrix.

FY21 Priority Issues



Essential Priority

1 Forced labor
2 Supply chain management and transparency
3 GHG emissions
4 Product design and circularity
5 Employee diversity, equity and inclusion
6 Labor rights in supply chain
7 Health and safety in the supply chain
8 Employee health and safety
9 Ethical and transparent business practices
10 Materials sourcing
11 Renewables and energy use
12 Water use and replenishment
13 Air/water pollution
14 Business resilience

Priority

15 Material waste
16 Workforce development in the supply chain
17 Employee engagement and well-being
18 Promotion of social inclusion
19 Biodiversity and land use
20 Community impact
21 Healthy lifestyles
22 Employee development
23 Consumer transparency and safety
24 Data privacy and protection
25 Brand values alignment
26 Chemicals management

Lower Priority

27 Responsible use of innovation and technology
28 Advocacy and public policy practices
29 Inclusive products and services
30 Environmentally friendly workplaces and practices
31 Indirect supplier diversity

Priority Issue Definitions

Priority Issue	*Definition*
Advocacy and public policy practice	Support or advance public policy that aligns with NIKE's commitments on environmental, social and economic issues.
Air and water pollution	Pollutants to air and water from NIKE's operations, products and services, and supply chain.
Biodiversity and land use	Impacts to biodiversity and ecosystems, through transformation of habitats, land use and other business activities.
Brand value alignment	Corporate activities, including sponsorship and partnerships, that align to NIKE's values on environmental, social and economic issues.
Business resilience[57]	Promoting solutions and managing disruptions and impacts in the value chain associated with climate change, public health and natural disasters.
Chemicals management	Chemicals used in making materials, products and substances released to the environment (air and water) that are toxic to humans and ecosystems.
Community impact	Sustained community impact in primary markets and sourcing backyards; philanthropic efforts; employee involvement and volunteering in communities.
Consumer transparency and safety	Disclosures to customers and users about products and services; including safeguarding consumer health and safety when using products, including reducing risk of injury.
Data privacy and protection	Safeguard privacy and personal data of customers, employees and business partners.
Employee development	Attracting and retaining talent; offering training and development for employees to build capability and career opportunities.
Employee diversity, equity and inclusion	Fairness of treatment and compensation across all levels of the business; representation of female and minority employees in workforce, management and board.
Employee engagement and well-being	The ability for employees to be heard, present, focused and energized, while feeling connected to NIKE's purpose; workplace wellness and engagement initiatives; ensuring a positive workplace culture.
Employee health and safety	Employee health and safety practices in NIKE operations.
Environmentally friendly workplaces and practices	Impacts on the environment and local communities of NIKE's buildings and workplace practices.
Ethical and transparent business practices	Ethical and transparent corporate behavior by combating dishonest or fraudulent conduct by those in power, typically involving bribery, corruption and intellectual property infringement.
Forced labor	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor.
GHG emissions	Greenhouse gas emissions in material sourcing, manufacturing, transportation and other business activities.
Healthy and safety in the supply chain	Worker health and safety practices throughout the supply chain.
Healthy lifestyles	Promoting healthy habits, play, and sport in kids and adults; risks to consumer base associated with the spread of obesity and inactive lifestyles.
Inclusive products and services	Design products, services and marketing that are widely inclusive of and reflect the wide diversity of the consumer base.

57 Combines two previous interrelated issues: "Climate change adaptation" and "Public health and natural disaster risks."

Priority Issue Definitions

Priority Issue	*Definition*
Indirect supplier diversity	Focus on sourcing goods and services that enable NIKE to maintain and develop its corporate/nonmanufacturing operations with diverse (i.e., ethnic/racial minority, women, disabled, LGBTQ and veteran) suppliers – ones that are majority owned, operated, managed and controlled by a person or persons from diverse backgrounds.
Labor rights in the supply chain	Protection and monitoring of the labor rights of workers throughout all of NIKE's supply chain (operations and manufacturing), including the right to freedom of association and collective bargaining, child labor and other labor rights.
Material waste	Waste generated throughout NIKE's value chain; activities to reduce, reuse or recycle, and responsibly manage/dispose of waste.
Materials sourcing	Choice and sourcing of non-renewable and renewable materials; consideration of social and environmental impacts associated with the types of materials used and the source; prioritizing less impactful options and third-party certifications.
Product design and circularity	Designing products, packaging and processes for durability, reuse, recycling and circularity.
Promotion of social inclusion	Creating equitable playing fields and breaking down societal barriers for all athletes; diverse athlete endorsements; increase access to sport.
Renewables and energy use	Energy used for electricity; use of fossil fuels and renewable energy sources.
Responsible use of innovation and technology	Promoting responsible and safe use of technology to create new and modified products, packaging and ways of conducting business; considering the impacts of automation.
Supply chain management and transparency	Transparent processes and systems to help ensure suppliers uphold standards on environmental, social and ethical business practice issues.
Water use and replenishment	Water consumed throughout NIKE's value chain; monitoring and/or mitigating our impacts in water-scarce regions.
Workforce development in the supply chain	Building the capacity throughout NIKE's supply chain for workers to receive training and development to build capability and career opportunities.

Governance

Board Oversight
NIKE's commitment to purpose begins at the highest level with our Board of Directors (Board). The Board oversees our purpose work primarily through the Corporate Responsibility, Sustainability & Governance Committee (CRS&G Committee). As specified in its charter, the CRS&G Committee reviews and provides guidance with respect to NIKE's corporate purpose, including corporate responsibility, sustainability, human rights, global community and social impact, and workplace diversity and inclusion.

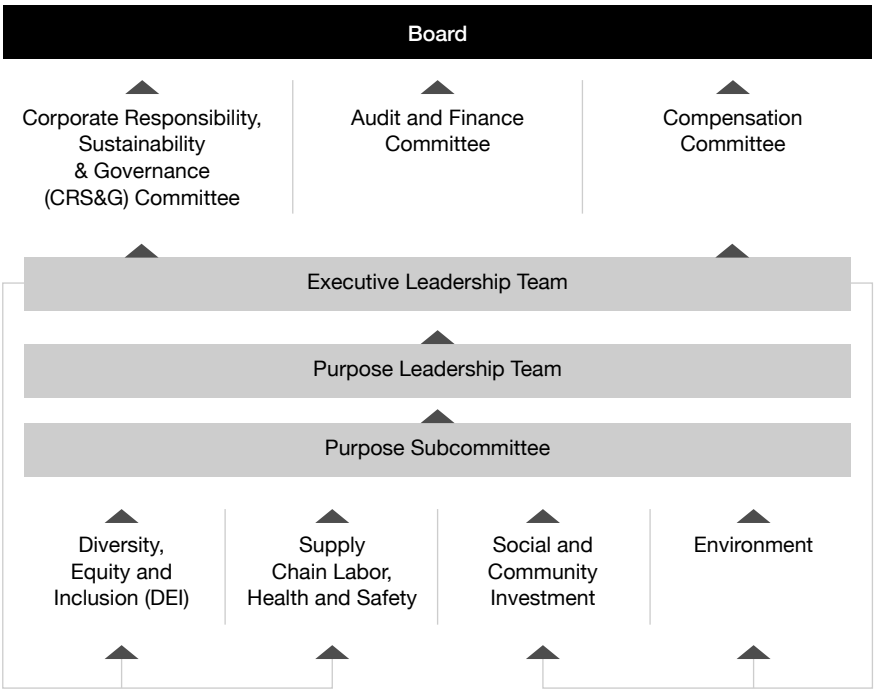
The CRS&G Committee oversees both the risks and the opportunities associated with purpose. Specifically, this includes reviewing significant purpose strategies, activities, policies, investments and programs; monitoring the development of, and progress toward, our Purpose targets; and providing guidance regarding purpose reporting.

To carry out its responsibilities, the CRS&G Committee receives regular updates from management regarding our purpose work, including:

- At each regularly scheduled CRS&G Committee meeting, progress reports regarding the 2025 targets
- Biannual presentations on each of the three purpose pillars – people, planet and play – from the respective management leader
- Annual presentations on purpose strategy and reporting

At each Board meeting, the CRS&G Committee reports to the Board on purpose highlights and key developments. The Compensation Committee also plays a significant role in the People pillar by overseeing talent management and development for executive officers and senior management, including with respect to employee engagement and workplace diversity and inclusion.

Purpose Management
Purpose leadership begins with our Chief Executive Officer and Executive Leadership Team, who set the tone and ensure it is integrated into NIKE's business strategy. Cross-functional teams support this integrated approach while dedicated functional leadership drives the day-to-day work.



Risk Management

NIKE Global Risk Management (GRM) is an independent and objective audit and risk organization that is guided by a philosophy of enhancing and protecting NIKE, Inc.'s value and brand through world-class risk management capabilities. It assists NIKE, Inc. in accomplishing its objectives by partnering with management to build and maintain effective risk management, control and governance processes. NIKE GRM reports administratively to the Chief Financial Officer and functionally to the Audit & Finance Committee.

GRM identifies and evaluates risks to NIKE, Inc., including those related to purpose, as part of its risk assessment process. This process then informs GRM's audit and risk plan and how GRM deploys risk management services across NIKE, Inc. Regular risk updates and insights are provided to management and the Audit & Finance Committee of the Board of Directors.

APPENDIX

Data Tables

People[58,59]

58 For all people targets we restate immaterial historical data where data changes due to retroactive actions. This is applied to all the employee data tables in the report.
59 For all people targets data current as of 2/28/22. Reported figures exclude all temporary employees.

Target: **50% representation of women in global corporate workforce and 45% in leadership positions**

NIKE, Inc. Totals by Gender *(global/corporate[60])*	*FY20*		*FY21*		*Change From FY20–21*		*FY25 Target*
Gender	*#*	*%*	*#*	*%*	*#*	*% pts*	*%*
All Employees							
Female	12,286	50.2%	**11,605**	**50.4%**	-681	0.3%	50%
Male	12,205	49.8%	**11,411**	**49.6%**	-794	-0.3%	
Total	**24,491**	**100%**	**23,016**	**100%**	**-1,475**	**0%**	
Leadership Positions[61]							
Female	163	39.3%	**166**	**43.0%**	3	3.7%	45%
Male	252	60.7%	**220**	**57.0%**	-32	-3.7%	
Total	**415**	**100%**	**386**	**100%**	**-29**	**0%**	

60 Corporate is associated with the workforce not directly involved in retail stores, distribution centers or Air Manufacturing Innovation (Air MI).
61 All employees who are VP level and above are considered leadership positions.

NIKE, Inc. Women Totals *(global/all lines of business[62])*	*FY20*		*FY21*		*Change From FY20–21*	
Women	*#*	*%*	*#*	*%*	*#*	*% pts*
All Employees						
NIKE, Inc.	33,653	49%	**32,585**	**50%**	-1,068	1.1%
VPLT	163	39%	**166**	**43%**	3	3.7%
Sr. Director	519	39%	**551**	**43%**	32	3.6%
Director	2,076	42%	**2,066**	**43%**	-10	1.4%
Managers	5,245	46%	**5,243**	**46%**	-2	0.2%
Entry Level	25,650	50%	**24,559**	**52%**	-1,091	1.3%

62 All lines of business mean corporate workforce, retail employees, distribution centers and Air MI.

Target: **30% representation of U.S. racial and ethnic minorities (REM) at Director level and above; increase pipeline of Black and Latinx talent at Director and above**

NIKE, Inc. Totals by REM Group

U.S.-Only, Corporate, E+	*FY20*		*FY21*		*Change From FY20–21*		*FY25 Target*
REM	*#*	*%*	*#*	*%*	*#*	*% pts*	*%*
Director							
E+ REM	1,229	26.1%	**1,355**	**30.3%**	126	4.1%	30%
E+ NON-REM	3,471	73.9%	**3,118**	**69.7%**	-353	-4.1%	
Total	**4,700**	**100%**	**4,473**	**100%**	**-227**	**0%**	
Director+[63]							
American Indian or Alaskan Native (Not Hispanic/Latino)	9	0%	**8**	**0%**	-1	0.0%	
Asian (Not Hispanic/Latino)	550	12%	**610**	**14%**	60	1.9%	
Black or African American (Not Hispanic/Latino)	217	5%	**256**	**6%**	39	1.1%	
Hispanic/Latino	275	6%	**286**	**6%**	11	0.5%	
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	10	0%	**9**	**0%**	-1	0.0%	
Two or More Races (Not Hispanic/Latino)	168	4%	**186**	**4%**	18	0.6%	
Unknown	52	1%	**38**	**1%**	-14	-0.3%	
White (Not Hispanic/Latino)	3,419	73%	**3,080**	**69%**	-339	-3.9%	
Total	**4,700**	**100%**	**4,473**	**100%**	**-227**	**0%**	

63 Director+. All employees who are Director level and above.

NIKE, Inc. Totals by REM Group

Global/Corporate	*FY20*		*FY21*		*Change From FY20–21*		*FY25 Target*
REM, U.S.-Only Employees	*#*	*%*	*#*	*%*	*#*	*% pts*	*%*
VP+[64]							
VP+ REM	80	23.2%	**96**	**30.3%**	16	7.1%	30%
VP+ NON-REM	265	76.8%	**221**	**69.7%**	-44	-7.1%	
Total	**345**	**100%**	**317**	**100%**	**-28**	**0%**	
VP+ – Racial Category							
American Indian or Alaskan Native (Not Hispanic/Latino)	0	0%	**0**	**0%**	0	0.0%	
Asian (Not Hispanic/Latino)	20	6%	**27**	**9%**	7	2.7%	
Black or African American (Not Hispanic/Latino)	37	11%	**45**	**14%**	8	3.5%	
Hispanic/Latino	14	4%	**15**	**5%**	1	0.7%	
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	0	0%	**0**	**0%**	0	0.0%	
Two or More Races (Not Hispanic/Latino)	9	3%	**9**	**3%**	0	0.2%	
Unknown	2	1%	**2**	**1%**	0	0.1%	
White (Not Hispanic/Latino)	263	76%	**219**	**69%**	-44	-7.1%	
Total	**345**	**100%**	**317**	**100%**	**-28**	**0%**	

64 VP+. All employees who are Vice President level and above.

NIKE, Inc. Totals by REM Group

U.S.-Only, All Lines of Business, All Bands[65]	*FY20*		*FY21*		*Change From FY20–21*	
REM	*#*	*%*	*#*	*%*	*#*	*% pts*
U.S.-Only Employees						
CORP REM	20,277	57.8%	**19,405**	**59.6%**	-872	1.8%
CORP NON-REM	14,792	42.2%	**13,134**	**40.4%**	-1,658	-1.8%
Total	**35,069**	**100%**	**32,539**	**100%**	**-2,530**	**0%**
Corporate – Racial Category[66]						
American Indian or Alaskan Native (Not Hispanic/Latino)	151	0%	**123**	**0%**	-28	-0.1%
Asian (Not Hispanic/Latino)	3,225	9%	**3,233**	**10%**	8	0.7%
Black or African American (Not Hispanic/Latino)	7,828	22%	**7,915**	**24%**	87	2.0%
Hispanic/Latino	6,779	19%	**6,092**	**19%**	-687	-0.6%
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	238	1%	**212**	**1%**	-26	0.0%
Two or More Races (Not Hispanic/Latino)	2,056	6%	**1,830**	**6%**	-226	-0.2%
Unknown	124	0%	**148**	**0%**	24	0.1%
White (Not Hispanic/Latino)	14,668	42%	**12,986**	**40%**	-1,682	-1.9%
Total	**35,069**	**100%**	**32,539**	**100%**	**-2,530**	**0%**

65 All employee levels.

66 FY21 data is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over employees by gender and employees by race/ethnicity for "all employees" as of May 31, 2021, as indicated in the Report of Independent Accountants.

NIKE, Inc. Totals by REM Category

U.S.-Only, All Lines of Business, All Bands[67]	*FY20*		*FY21*		*Change From FY20–21*	
REM	*#*	*%*	*#*	*%*	*#*	*% pts*
U.S. Employees						
NIKE, Inc.	27,095	59%	**26,227**	**60%**	-868	0.7%
VPLT	92	23%	**112**	**26%**	20	3.6%
Sr. Director	286	26%	**374**	**30%**	88	4.3%
Director	1,045	27%	**1,187**	**29%**	142	2.2%
Managers	2,648	34%	**2,863**	**36%**	215	1.6%
Entry Level	23,024	70%	**21,691**	**72%**	-1,333	1.7%
	9,674		**8,385**			

67 All employee levels.

Target: **35% representation of racial and ethnic minorities in our U.S. corporate workforce**

NIKE, Inc. Totals by REM Group

U.S.-Only, Corporate, All Bands[68]	*FY20*		*FY21*		*Change From FY20–21*		*FY25 Target*
REM	*#*	*%*	*#*	*%*	*#*	*% pts*	*%*
U.S.-Only Employees							
CORP REM	4,581	31.6%	**4,707**	**34.3%**	126	2.8%	35%
CORP NON-REM	9,928	68.4%	**9,004**	**65.7%**	-924	-2.8%	
Total	**14,509**	**100%**	**13,711**	**100%**	**-798**	**0%**	
Corporate – Racial Category							
American Indian or Alaskan Native (Not Hispanic/Latino)	56	0%	**47**	**0%**	-9	0.0%	
Asian (Not Hispanic/Latino)	1,984	14%	**2,079**	**15%**	95	1.5%	
Black or African American (Not Hispanic/Latino)	682	5%	**763**	**6%**	81	0.9%	
Hispanic/Latino	1,011	7%	**978**	**7%**	-33	0.2%	
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	53	0%	**48**	**0%**	-5	0.0%	
Two or More Races (Not Hispanic/Latino)	795	5%	**792**	**6%**	-3	0.3%	
Unknown	103	1%	**87**	**1%**	-16	-0.1%	
White (Not Hispanic/Latino)	9,825	68%	**8,917**	**65%**	-908	-2.7%	
Total	**14,509**	**100%**	**13,711**	**100%**	**-798**	**0%**	

68 All employee levels.

Board of Directors

	CY20		*CY21*	
Gender	*#*	*%*	*#*	*%*
Female	4	33%	**4**	**33%**
Male	8	67%	**8**	**67%**
Total	12	100%	**12**	**100%**
Race/Ethnicity				
American Indian or Alaskan Native				
Black or African American	3	25%	3	25%
Asian				
Hispanic/Latino				
Native Hawaiian or Other Pacific Islander				
Two or More Races				
Unknown				
White	9	75%	**9**	**75%**
Total	12	100%	**12**	**100%**

Target: **100% of strategic suppliers are building world-class, safe and healthy workplaces for the people making our products**

OH&S Data[69] for NIKE Employees and Tier 1 Focus Factories[70]

NIKE Employees[71]

		CY20	*CY21*[72]
Distribution (Industry Code: 493110)			
Total Case Incident Rate (TCIR)	NIKE	1.17[73,74]	**0.96**
	Industry[75]	4.90	**5.00**
Lost Time Injury Rate (LTIR)	NIKE	0.78	**0.33**
	Industry	3.70	**2.10**
Air MI (Industry Code: 326113)[76]			
TCIR	NIKE	4.81[77]	**4.70**
	Industry	4.70	**2.70**
LTIR	NIKE	1.93[77]	**1.71**
	Industry	3.20	**1.10**
Offices (Industry Code: 551114)			
TCIR	NIKE	0.35	**0.01**
	Industry	0.70	**0.70**
LTIR	NIKE	0.15	**0.00**
	Industry	0.30	**0.30**

Tier 1 Focus Factories[78]

		CY20	*CY21*
Footwear (Industry Code: 3162)			
TCIR	NIKE	0.28	**0.15**
	Industry	3.20	**3.40**
LTIR	NIKE	0.15	**0.08**
	Industry	1.00	**1.30**
Apparel (Industry Code: 3152)			
TCIR	NIKE	0.50	**0.52**
	Industry	1.90	**1.60**
LTIR	NIKE	0.27	**0.21**
	Industry	0.70	**0.60**
Accessories			
TCIR	NIKE	0.37	**-**
	Industry	N/A	**N/A**
LTIR	NIKE	0.37	**-**
	Industry	N/A	**N/A**

69 OH&S data is reported using calendar year (CY) instead of fiscal year (FY) to align data with regulatory reporting requirements, including OSHA and BLS (which is used as an industry standard).
70 Focus factories are key strategic contract factories within our supply chain that represent the majority of finished goods production of NIKE Footwear, Apparel and Converse Footwear.
71 The reported injury rates reflect a combination of NIKE full-time and certain external temporary workers.
72 Using CY20 BLS rates as BLS rates for CY21 had not been published at the time of the FY21 NIKE, Inc. Impact Report publication.
73 Data is collected based on U.S. legal reporting requirements, reporting on all NIKE's operations except retail, which is excluded from OSHA recordkeeping requirements. Retail will be included in future reports.
74 Continual process improvements in our distribution centers have allowed us to have a reduction in our year-over-year TCIR.
75 The industry average comes from the United States Department of Labor; Bureau of Labor Statistics. Each industry classification (such as DC, Air Manufacturing Innovation (Air MI), Offices, Footwear Manufacturing, Apparel Manufacturing) reports a separate average for recordable injuries and lost time rates (which are captured).
76 A surge in product demand in a tight labor market is the primary driver behind the increase in injury rate. At the beginning of 2019, a number of employees elected to work overtime in order to meet production demands. We then added over 500 temporary workers to staff the production demands, many of whom had never worked in a manufacturing environment before. We have since stabilized our workforce and are seeing a downward injury trend that we expect to continue.
77 Air MI injury rate was influenced by COVID-19 with interruptions in work, adjustments to manufacturing process and the addition of hundreds of temporary workers to augment the workforce.
78 Tier 1 focus factory data is self-reported by factories and may be incomplete. At the time of the FY21 NIKE, Inc. Impact Report publication, December 2021 data was estimated for factories where actual data was unavailable. The BLS does not calculate manufacturing rates for equipment/accessories. As of CY21, there are no accessories focus factories.

Foundational Expectations

Target: **100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards demonstrating respect for the rights of their workers and communities where they operate**

Audit, Non-compliance	*Tier 1*	*Tier 2*	*FY21 Total*
Age Standards	0	0.3	0.3
Building Is Safe	1.2	5.9	5.4
Chemical Management	8.6	9	9
Discrimination	4.9	1.1	1.6
Dorms, Canteen and Childcare	1.2	2.6	2.5
Fire and Emergency Action	6.2	12.8	12
Forced Labor	0	0.5	0.4
Freedom of Association and Collective Bargaining	0	1.1	1
Harassment and Abuse	2.5	0	0.3
Hazardous Waste	0	0.7	0.6
HSE Management Systems	1.2	2.5	2.3
Occupational Health and Hygiene	6.2	12.2	11.4
Other	1.2	0.8	0.9
Regular Employment	2.5	1.3	1.4
Solid Waste (Non-Hazardous Waste)	0	0.5	0.4
Wages and Benefits	27.2	9.7	11.7
Wastewater	11.1	0	1.3
Working Hours	14.8	16.4	16.2
Workplace Is Safe	11.1	22.5	21.2

Worker Count Results	*Tier 1*	*Tier 2*	*FY21 Total*
Americas	63,115	3,217	66,332
EMEA	25,948	408	26,356
N Asia	115,416	24,829	140,245
S Asia	269,240	24,693	293,933
SE Asia	507,010	21,927	528,937
Total	**980,729**	**75,074**	**1,055,803**

Audit Counts	*Tier 1*	*Tier 2*	*FY21 Total*
NIKE	129	14	143
SLCP[79]	194	137	331
SAC's FEM[79]	220	164	384
ZDHC[79] Wastewater Guidelines	96	177	273
Better Work	33	0	33
Total	**672**	**492**	**1,164**

79 Number of reports received.

Planet

Carbon[80]

FY21 Emissions Summary *(Metric Tons CO_2e)*
Scope 1, 2 and 3[81,82]

	Emissions	*Emissions (%)*
Scope 1[82]	42,720	0.4
Scope 2 (market-based emissions)[82]	76,420	0.7
Scope 3[83]	10,823,562	98.9
Total	10,942,702	

80 NIKE converts all energy consumed to kWhe using net calorific value of the direct fuels consumed, including transportation fuels. Emissions data for HFCs, PFCs and SF_6 are not reported. NIKE has phased out SF_6 and therefore doesn't have SF_6 emissions. Emissions for other greenhouse gases are either not relevant, immaterial, or data is not available.

81 Scope 1: Direct emissions from owned or controlled sources. Scope 2: Indirect emissions from the generation of purchased energy. Scope 3: All indirect emissions (both upstream and downstream emissions that are not included in Scope 2) that occur in the value chain.

82 This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2020, to May 31, 2021, as indicated in the Report of Independent Accountants.

83 The Commercial Travel emissions and Inbound and Outbound Logistics component of this metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2020, to May 31, 2021, as indicated in the Report of Independent Accountants.

Energy and Emissions by Business Function
Scope 1 and 2

	Emissions (Metric Tons CO_2e)				*Energy (MWh)*			
	Scope 1 FY20	*Scope 1 FY21*	*Scope 2 FY20*	*Scope 2 FY21*	*Fuel Consumed FY20*	*Fuel Consumed FY21*	*Electricity Consumed FY20*	*Electricity Consumed FY21*
Retail	18,210	**17,761**	68,748	**41,391**	89,898	**87,682**	204,033	**186,654**
HQs & Offices	14,794	**10,104**	33,769	**18,352**	73,028	**49,966**	152,909	**121,015**
HQ Fleet Vehicles	850	**211**	–	**–**	3,385	**840**	–	**–**
Distribution Centers	9,749	**11,663**	38,829	**14,523**	47,244	**54,852**	191,711	**197,657**
Corporate Jets	2,912	**1,432**	–	**–**	11,257	**5,534**	–	**–**
Air Manufacturing Innovation	1,291	**1,550**	19,494	**2,155**	6,311	**7,604**	94,290	**86,885**
NIKE, Inc.	47,807	**42,720**	160,840	**76,420**	231,123	**206,477**	642,943	**592,211**

Fuel Consumption *(MWh)* and Scope 1 Emissions *(Metric Tons CO_2e)*

	FY20	FY21
Air MI		
Fuel Consumed (MWh)	6,311	**7,604**
Emissions (Metric Tons CO_2e)	1,291	**1,550**
HQ Fleet Vehicles		
Fuel Consumed (MWh)	3,385	**840**
Emissions (Metric Tons CO_2e)	850	**211**
Corporate Jets		
Fuel Consumed (MWh)	11,257	**5,534**
Emissions (Metric Tons CO_2e)	2,912	**1,432**
Distribution Centers		
Fuel Consumed (MWh)	47,244	**54,852**
Emissions (Metric Tons CO_2e)	9,749	**11,663**
HQs & Offices		
Fuel Consumed (MWh)	73,028	**49,966**
Emissions (Metric Tons CO_2e)	14,794	**10,104**
Retail		
Fuel Consumed (MWh)	89,898	**87,682**
Emissions (Metric Tons CO_2e)	18,210	**17,761**
NIKE, Inc.		
Fuel Consumed (MWh)	231,123	**206,477**
Emissions (Metric Tons CO_2e)	47,807	**42,720**

Scope 3 Emissions: Manufacturing & Logistics *(Metric Tons CO_2e)*

	FY20	FY21
Tier 1 – Footwear Manufacturing	1,388,826	1,411,754
Tier 1 – Apparel Manufacturing	89,865	72,601
Tier 2 – Footwear Textile Dyeing and Finishing	207,713	193,463
Tier 2 – Apparel Textile Dyeing and Finishing	785,487	727,076
Logistics – Inbound Transportation	1,013,581	275,199
Logistics – Outbound Transportation	164,684	184,719

Electricity Consumption *(MWh)* and Scope 2 Emissions *(Metric Tons CO_2e)*

	FY20	FY21
Air MI		
Grid Electricity (MWh)	94,290	**86,885**
Location-Based (Metric Tons CO_2e)	46,059	**42,151**
Market-Based (Metric Tons CO_2e)	19,494	**2,155**
Distribution Centers		
Total Electricity (MWh)	191,711	**197,657**
Grid Electricity (MWh)	173,775	**174,388**
Onsite Solar (MWh)	6,805	**8,150**
Onsite Wind (MWh)	11,131	**15,120**
Location-Based (Metric Tons CO_2e)	79,178	**81,550**
Market-Based (Metric Tons CO_2e)	38,829	**14,523**
HQs & Offices		
Total Electricity (MWh)	152,909	**121,015**
Grid Electricity (MWh)	152,281	**120,608**
Onsite Solar (MWh)	628	**407**
Location-Based (Metric Tons CO_2e)	56,446	**46,956**
Market-Based (Metric Tons CO_2e)	33,769	**18,352**
Retail		
Total Electricity (MWh)	204,033	**186,654**
Grid Electricity (MWh)	204,033	**186,654**
Location-Based (Metric Tons CO_2e)	89,493	**80,922**
Market-Based (Metric Tons CO_2e)	68,748	**41,391**
NIKE, Inc.		
Total Electricity (MWh)	642,943	**592,211**
Grid Electricity (MWh)	624,379	**568,535**
Onsite Solar (MWh)	7,433	**8,557**
Onsite Wind (MWh)	11,131	**15,120**
Location-Based (Metric Tons CO_2e)	271,176	**251,578**
Market-Based (Metric Tons CO_2e)	160,840	**76,420**

SBT Footprint FY15–21	*FY15*	*FY16*	*FY17*	*FY18*	*FY19*	*FY20*	*FY21*
Scope 1							
Air Manufacturing Innovation	126	114	145	496	1,229	1,291	**1,550**
HQ Fleet Vehicles	406	535	666	627	555	850	**211**
Corporate Jets	3,576	4,392	3,391	3,773	3,162	2,912	**1,432**
Distribution Centers	8,084	6,698	7,861	10,048	10,408	9,749	**11,663**
HQs & Offices	10,009	11,623	13,168	10,975	13,612	14,794	**10,104**
Retail	13,423	13,963	14,907	16,022	17,747	18,210	**17,761**
Total	35,624	37,325	40,138	41,941	46,713	47,807	**42,720**
Scope 2							
Air Manufacturing Innovation	18,099	14,873	18,156	29,237	33,849	19,494	**2,155**
Distribution Centers	58,241	67,832	61,142	55,304	60,603	38,829	**14,523**
HQs & Offices	54,276	43,189	41,820	33,802	10,938	33,769	**18,352**
Retail	98,154	99,959	103,393	91,978	92,1075	68,748	**41,391**
Total	228,770	225,853	224,511	210,321	105,390	160,840	**76,420**
Scope 3							
Waste Generated in Operations	1,738	1,973	2,031	2,245	1,951	2,322	**1,810**
Downstream Transportation and Distribution	63,787	71,510	67,753	70,403	64,979	91,862	**78,184**
Energy-Related Activities Excluded in S1/S2	11,163	12,151	13,140	14,128	15,117	15,289	**13,025**
EOL	375,270	393,776	404,768	417,717	439,028	452,856	**418,080**
Logistics	1,064,313	880,326	1,146,359	1,104,695	1,192,920	1,304,489	**544,099**
Packaging	539,198	560,225	582,072	604,771	628,355	652,859	**955,974**
Business Travel	112,355	110,523	81,913	75,645	89,464	81,340	**3,395**
Employee commuting	98,546	106,755	114,964	123,173	131,382	107,314	**85,746**
T2-T4 EQ	722,333	723,829	620,552	653,580	669,971	642,926	**568,895**
T1 Waste	44	43	42	41	40	42	**20**
T1 FW	1,007,402	1,018,623	1,086,039	1,182,089	1,176,709	1,415,163	**1,444,915**
T1 EQ	114,074	114,310	98,000	103,216	105,805	97,785	**89,842**
T1 AP	175,719	181,408	193,409	204,659	215,796	195,094	**166,088**
T2 AP	589,308	712,818	809,594	839,357	873,069	1,008,183	**963,898**
T2 FW	216,662	220,386	208,238	190,208	201,344	282,439	**328,634**
T3 AP	1,097,424	1,132,893	1,207,583	1,277,571	1,346,980	1,267,251	**1,179,185**
T3 FW	357,005	378,591	389,155	396,536	416,934	458,388	**430,053**
T4 AP	764,803	789,522	841,574	890,349	938,721	893,826	**778,623**
T4 FW	1,908,139	2,023,515	2,079,979	2,119,428	2,228,453	2,629,520	**2,773,094**
Total	9,219,282	9,433,177	9,947,164	10,269,811	10,737,016	11,598,946	**10,823,562**

NIKE's Carbon Targets Landscape

○ *Not in Scope* ● *Partial Scope included* ● *Full Scope included*

	RE100: 100% Renewable Electricity in Owned or Operated Facilities	*-70% Owned or Operated Facility GHG Emissions*	*0% Change in Manufacturing & Transportation GHG Emissions*[84]	*0.5M Metric Tons Materials GHG Emissions Reduced via Use of Environmentally Preferred Materials (EPMs)*	*Scope 1 and 2 SBT*	*Scope 3 SBT*	*Net Zero*	*Full Corporate Carbon Footprint*
Energy or Emissions	Energy	Emissions	Emissions	Emissions	Emissions	Emissions	Emissions	Emissions
Emissions Scope	2	1 & 2	3	3	1 & 2	3	1, 2 & 3	1, 2 & 3
Target Period	FY15–25	FY20–25	FY20–25	FY20–25	FY15–30	FY15–30	FY15–50	N/A
Target	**100%**	**-70%**	**0%**	**-0.5M metric tons 50% EPMs**	**-65%**	**-30%**	**-90%**	**N/A**
Scope: NIKE Value Chain Terminology								
Corporate Services								
HQs & Other Offices	●	●	○	○	●	○	●	●
Air MI	●	●	○	○	●	○	●	●
Corporate Jets	●	●	○	○	●	○	●	●
Commercial Air Business Travel	○	○	○	○	○	●	●	●
Raw Materials Production	○	○	○	●	○	●	●	●
Materials Manufacturing	○	○	○	●	○	●	●	●
Materials Finishing (Textile Dyeing and Finishing)	○	○	●	○	○	●	●	●
Finished Goods Manufacturing	○	○	●	○	○	●	●	●
Logistics								
Inbound Logistics	○	○	●	○	○	●	●	●
Outbound Logistics	○	○	●	○	○	●	●	●
Distribution Centers	●	●	○	○	●	○	●	●
Retail (NIKE Direct)	●	●	○	○	●	○	●	●
Consumer Use	○	○	○	○	○	○	●	●
End of Life	○	○	○	○	○	●	●	●

84 Scope includes suppliers representing approximately 80% of total footwear and apparel production; suppliers representing approximately 80% of total footwear upper materials and apparel textiles production; and about 95% of both inbound and outbound transportation.

Scope 3 Emissions By Category and Operational Boundaries

In SBT Scope ● Not in SBT Scope ●

Emissions Sources	*FY21 Metric Tons CO_2e and/or Evaluation Status*	*Scope of Reported Emissions*	*Emissions Calculation Methodology*	*% Of Emissions Calculated Using Data Obtained From Suppliers or Value Chain Partners*
Upstream				
1 Purchased Goods and Services ●	9,679,222	Includes emissions across NIKE brands and product engines, including from raw materials production, materials manufacturing, materials finishing, and finished goods manufacturing.	Emissions data is calculated using primary activity data and extrapolations. CO_2e emissions include CO_2, CH_4, and N_2O. NIKE Brand and Converse footwear finished goods manufacturing emissions data is derived from 100% primary data and represents nearly 90% of the emissions in finished goods manufacturing. For this subset, vendors provide monthly energy consumption: from the local utility grid, onsite generators, other fuels, and purchased steam. For electricity: kWh values are multiplied by CO_2e emissions factors for electricity purchased from the local utility grid by the country/region in which the factory resides. For onsite generation and other fuels: CO_2e emissions are calculated using the IPCC bottoms up calculation methodology. CO_2e methodologies are used for emissions estimates outside of footwear finished goods manufacturing based on lifecycle analysis data applied to product creation data, and employ conservative assumptions to avoid understating NIKE's footprint. To evaluate NIKE's value chain footprint, we identified and quantified CO_2e emissions created at each stage of the value chain. The impact of each individual product differs considerably, based on its profile, materials used, size and weight, method of manufacture, and location of production, use, and disposal. Several internal and external tools were used to develop this estimation including: NIKE's Materials Sustainability Index and Enablon.	30%
2 Capital Goods ●	Not relevant	NIKE does not have significant investment in capital goods as most manufacturing equipment is owned and operated by contracted factories.	N/A	N/A
3 Fuel and Energy-Related Activities Not Included in Scope 1 or 2 ●	13,025	Includes emissions associated with the extraction, production, and transportation of fuels and energy purchased and reported in NIKE's Scope 1 and 2 footprint. Does not include upstream electricity emissions, T&D losses, or other onsite fuels besides natural gas (propane, diesel, biogas, hi-sene).	Emissions data is calculated using primary activity data, extrapolated consumption, and publicly available CO_2e emissions factors. Consumption is multiplied by the emissions factor, using an identical global factor across all countries and regions.	58%
4 Upstream Transportation and Distribution ●	544,099	Includes ~95% of global inbound transportation and ~95% of global outbound transportation via the following modes of transportation: air, ocean, truck and rail. Excludes non-NIKE paid freight. Also included is the shipment via air freight of Nike AirBags produced in North America and shipped as components for footwear manufacturing to manufacturing partners in Asia.	Transactional data is applied to a third-party transportation carbon calculator against industry standard emissions factors (distance traveled x cargo weight or volume x emission factor). Upstream emissions from air transport of airbag components is calculated using industry standard air freight emission factors per ton-mile and production volume.	100%

Scope 3 Emissions By Category and Operational Boundaries

In SBT Scope ● Not in SBT Scope ●

Emissions Sources	*FY21 Metric Tons CO_2e and/or Evaluation Status*	*Scope of Reported Emissions*	*Emissions Calculation Methodology*	*% Of Emissions Calculated Using Data Obtained From Suppliers or Value Chain Partners*
5 Waste Generated in Operations ●	1,810	Emissions relative to the fate of the waste generated in our own operations including HQs and DCs.	Total HQs and DC waste not diverted from landfill multiplied by a lifecycle assessment-based emission factor for municipal waste sent to landfill.	100%
6 Business Travel ●	3,395	Includes emissions from commercial air travel.	Air CO_2 emissions are estimated based on number and distance of trips. Short haul trips are less fuel efficient per mile flown. Longer-haul flights become less efficient due to the need to carry more fuel.	100%
7 Employee Commuting ●	85,746	Emissions associated with the transportation of employees between their homes and work locations. Represents full time employees.	Internal employee commuting survey data is used to inform the allocation of methods/modes that NIKE applies to its global employee base. Each mode is assigned an emission factor relative to fuel type. Assumptions are made about the average number of working days per year and the average distance between an employee's home and worksite and compensate for the COVID-19 slowdown during FY21 Q4.	20%
8 Upstream Leased Assets ●	Not relevant	NIKE does not have significant emissions from upstream leased assets.	N/A	N/A
Downstream				
9 Downstream Transportation and Distribution ●	78,184	Includes emissions from non-NIKE paid freight. Excludes emissions from consumers traveling to stores.	Transactional data is applied to a third-party transportation carbon calculator against industry standard emissions factors (distance traveled x cargo weight or volume x emission factor). Non-NIKE paid freight is determined calculating the difference between Inbound and Outbound freight and using the outbound freight emissions factor to determine total emissions.	0%
10 Processing of Sold Products ●	Not relevant	NIKE's products are finished consumer goods and do not undergo any additional processing once sold.	N/A	N/A
11 Use of Sold Products ●	5,734,039	These emissions are associated with washing and drying NIKE's sold apparel and socks. We assumed for the value chain footprint exercise that footwear and equipment were not washed. Based on our footprinting work, we estimate that about 35% of the emissions throughout our value chain are emitted during the use phase of NIKE products. These emissions are out of scope of NIKE's moonshot ambition.	There is no primary emissions data available from use of NIKE's products. Consumer Usage: Water and Energy Usage was estimated based on the following assumptions – only apparel units and socks were considered. Each item was assumed washed 52 times in one year. The washing assumptions were based on regional consumer washing practices and estimates of washing machine types by region. CO_2e was based on regional conversion factors applied to the estimated energy usage.	N/A

Scope 3 Emissions By Category and Operational Boundaries

In SBT Scope ● Not in SBT Scope ●

Emissions Sources	*FY21 Metric Tons CO_2e and/or Evaluation Status*	*Scope of Reported Emissions*	*Emissions Calculation Methodology*	*% Of Emissions Calculated Using Data Obtained From Suppliers or Value Chain Partners*
12 End-of-Life Treatment of Sold Products ●	418,080	These emissions are associated with the disposal of products including landfill and incineration.	There is no primary emissions data available for end-of-life treatment of NIKE's products. To evaluate NIKE's value chain footprint, we identified and quantified CO_2e emissions created at each stage of the value chain. The impact of each individual product differs considerably, based on its profile, materials used, size and weight, method of manufacture, and location of production, use and disposal. Several internal and external tools were used to develop this estimation including Enablon, NIKE's Materials Sustainability Index and EPA's Waste Reduction Model (WARM). End of Life Stage: at the disposal stage we assumed the finished good is disposed of at the end of one year.	0%
13 Downstream Leased Assets ●	Not relevant	NIKE does not have significant emissions from downstream leased assets.	N/A	N/A
14 Franchises ●	Not relevant	NIKE does not have significant emissions from franchises.	N/A	N/A
15 Investments ●	Not relevant	NIKE does not have significant emissions from investments.	N/A	N/A
Total SBT S3 Emissions ●	10,823,562			
Total Full Footprint S3 Emissions ●	16,557,601			

Waste

Waste *(Metric Tons)*	*FY20*	*FY21*
Distribution Centers (DCs)		
Recycled	36,713	**33,856**
Composted	117	**86**
Waste to Energy	1,637	**2,214**
Landfilled	3,664	**3,663**
Total	42,131	**39,819**
HQs		
Recycled	1,661	**1,173**
Composted	1,043	**708**
Waste to Energy	0	**2**
Landfilled	2,142	**860**
Total	4,846	**2,743**
FW Manufacturing[85]		
Recycled	50,803	**52,975**
Waste to Energy	60,883	**51,077**
Landfilled and Incinerated	429	**0**
Total	112,114	**104,052**
AP Manufacturing[85]		
Recycled	20,618	**14,882**
Waste to Energy	2,371	**2,540**
Landfilled and Incinerated	381	**66**
Total	23,371	**17,489**
Air Manufacturing Innovation		
Recycled	44,339	**32,782**
Waste to Energy	182	**169**
Landfilled and Incinerated	1,290	**960**
Total	45,811	**33,911**

85 Strategic Finished Goods Suppliers: Suppliers representing approximately 80% of total footwear and apparel production

PwC Assurance Report

Report of Independent Accountants

To the Board of Directors of NIKE, Inc.

We have reviewed the accompanying NIKE, Inc. ("NIKE") management assertion that the environmental sustainability metrics for the year ended May 31, 2021 and the employee metrics (together, the "sustainability metrics") as of May 31, 2021 in management's assertion are presented in accordance with the assessment criteria set forth in management's assertion. NIKE's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

We applied the Statements on Quality Control Standards established by the AICPA, and, accordingly, maintain a comprehensive system of quality control.

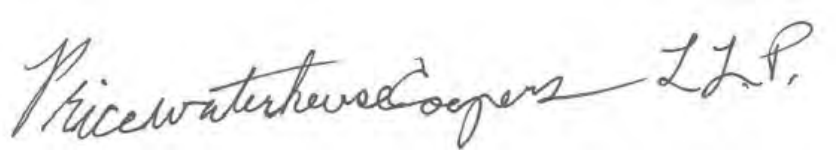
The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, and for a selection of specified metrics, performed tests of mathematical accuracy of computations, read relevant policies to understand terms related to relevant information about the specified metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the specified metrics, and performed analytical procedures.

Greenhouse gas (GHG) emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the other sustainability metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

As discussed in management's assertion, the Company has estimated GHG emissions for certain emissions sources for which no primary usage data is available.

Based on our review, we are not aware of any material modifications that should be made to NIKE's management assertion in order for it to fairly stated.



March 9, 2022

PricewaterhouseCoopers LLP
805, SW Broadway, Suite 800 Portland, OR 97205
www.pwc.com

NIKE, Inc. Management Assertion

Fiscal Year ended May 31, 2021

Selected Environmental Sustainability Metrics	*For the Fiscal Year ended May 31, 2021 (FY21)*
Scope 1 and 2 Total Energy Consumption (MWh)	798,688
Renewable Electricity Consumption (MWh/%)	459,127 / 78%
Scope 1 (Direct) Emissions (Metric tons CO_2e)	42,720
Scope 2 (Indirect) Location-Based Emissions (Metric tons CO_2e)	251,578
Scope 2 (Indirect) Market-Based Emissions (Metric tons CO_2e)	76,420
Scope 3 (Category 8) Emissions From Commercial Air Travel (Metric tons CO_2e)	3,395
Scope 3 (Category 4) Emissions From Logistics (outbound) (Metric tons CO_2e)	184,719
Scope 3 (Category 4) Emissions From Logistics (inbound) (Metric tons CO_2e)	275,199

Prior to conversion to CO_2e, metric tons of GHG emissions by gas are 117,844, 8, and 1 of CO_2, CH_4, and N_2O, respectively. The other GHGs of sulfur hexafluoride (SF_6), perfluorocarbons (PFCs) and nitrogen trifluoride (NF_3) are not emitted by NIKE sites.

Water Restoration Funding	*Cumulative as of May 31, 2021*
Water Restoration project funding (Australia and India) in NIKE's Extended Cotton Supply Chain (USD)	More than $550,000

Employee Metrics

As of May 31, 2021

All Employees Gender (Global)		#	%
Employee totals by gender (number and percentage) (global)	Male	32,695	50.08%
	Female	32,588	49.92%
All Employees Race/Ethnicity (U.S. Only)		#	%
Employee totals by race/ethnicity (number and percentage) (U.S. only) Gender and racial/ethnic diversity are reported in accordance with the gender and race/ethnicity as self-reported by the employee and recorded in the Human Resources information system as of May 31, 2021. Note: In FY21, NIKE changed the measurement date for employee metrics from December 31 to May 31 of the fiscal year.	American Indian or Alaskan Native	123	0.4%
	Asian	3,233	9.9%
	Black or African American	7,915	24.3%
	Hispanic/Latino	6,092	18.7%
	Native Hawaiian or Other Pacific Islander	212	0.7%
	Two or More Races	1,830	5.6%
	Unknown	148	0.5%
	White	12,986	39.9%

Overview
NIKE, Inc. ("NIKE") management is responsible for the selection of the assessment criteria, which management believes provide an objective basis for measuring and reporting on the environmental sustainability and employee metrics (the "sustainability metrics") presented in the tables above. NIKE management is also responsible for the completeness, accuracy, and validity of the sustainability metrics.

Energy and Emissions

Standards
NIKE captures, calculates, and reports direct and indirect GHG emissions data with consideration of the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative's Corporate GHG Accounting and Reporting Standard (Revised Edition) ("GHG Protocol") and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, which are recognized external standards.

Organizational Boundary
NIKE uses the operational control approach in conformance with the GHG Protocol to report energy and electricity consumption and direct and indirect GHG emissions for 100% of the facilities where NIKE has operational control.

Scope

NIKE's scope 1, 2, a subset of scope 3 emissions (commercial air travel and outbound and inbound logistics), and renewable electricity consumption reporting coverage is outlined below.

Emissions Source	*Scope Description*
Renewable Electricity Consumption	• Percentage of global energy sourced from renewable energy is calculated as follows: (Renewable Electricity in MWh)/ (Scope 1 and Scope 2 Total energy consumption within the organization in MWh) X 100 • Renewable electricity includes onsite solar and wind consumed, electricity purchased via Energy Attribute Certificates and Electricity Contracts as described in NIKE's market-based emissions table below. • Actual activity data is sourced from direct measurement or third-party invoices when possible. Estimates are used when actual data is not available and are determined based on our estimation methodology described in the Estimation Methodology section.
Retail	• Includes NIKE owned or operated NIKE Brand and Converse stores globally. • Energy consumed includes natural gas and electricity. Natural gas usage outside of the U.S. and Canada (and for landlord-managed sites in the U.S. and Canada), and electricity usage outside of the U.S., Canada and EU (and for landlord-managed sites in the U.S., Canada and EU), is estimated. Our estimation methodology is described below. • Refrigerant leakage from HVAC units are not included in reporting at this time.
Distribution Centers (DCs)	• Includes top 39 NIKE owned or operated Distribution Centers ("DCs") globally as of May 31, 2021, which represent approximately 90% of shipped units. • Energy consumed includes natural gas, hi-sene, diesel, propane, electricity, onsite solar, and onsite wind. • Diesel is used in backup generators. • Propane is used in at least two DCs for scrubbers/ floor sweepers. A portion of propane usage is estimated leveraging known propane usage. Our estimation methodology is described below. • In addition, emissions include fugitive emissions from refrigerant gas loss. Our estimation methodology is described below.
Offices	• Includes emissions from building facilities at 4 Headquarter ("HQ") locations: World Headquarters U.S. ("WHQ"), European HQ, Greater China HQ ("GCHQ"), and Converse HQ (together covering over 10 million ft2). Also includes emissions from non-HQ office facilities (such as regional sales offices). • Energy consumed within HQs includes natural gas, diesel, propane, electricity, and onsite solar; within non-HQ offices, energy consumed includes natural gas and electricity only. Natural gas usage within non-HQ offices outside of the U.S. and Canada (and for landlord-managed sites in the U.S. and Canada), and electricity usage within non-HQ offices outside of the U.S., Canada, and EU (as well as for landlord-managed sites in the U.S., Canada, and EU), is estimated. Our estimation methodology is described below. • Diesel is used in backup generators. • Propane is used in food services, vendor landscaping services, and some forklifts. • Refrigerant leakage from HVAC units are not included in reporting at this time.
Air Manufacturing Innovation	• Includes NIKE owned manufacturing facilities and related facilities that are the primary producers of NIKE air units. • Energy consumed includes natural gas, diesel, propane and electricity. • Diesel is used in backup generators. • Propane is used in a single limited application in one Air Manufacturing Innovation (Air MI) facility. • Refrigerant leakage from HVAC units are not included in reporting at this time.
Vehicles	• Vehicles include service vehicles at WHQ and GCHQ. • Fuel consumed includes gasoline. • Company-leased fleet vehicles for use by employees in other geographies are not included in reporting at this time.
Jets	• Includes jet aviation fuel from our business travel using NIKE's corporate jets, operated from the U.S.
Commercial Travel	• Data represents commercial business air travel for all employees across 49 countries. • Commercial air travel emissions are estimated based on mileage calculated from number and route distance of trips.
Outbound Logistics	• Data represents approximately 95% of global outbound transportation and distribution of products sold via the following modes of transportation: air, ocean, truck, and rail. Reported figures reflect well to wheel emissions. • Emissions from transportation of Converse products outside of North America and transportation of NikeID products are excluded.
Inbound Logistics	• Data represents approximately 95% of global inbound transportation and distribution of finished goods via the following modes of transportation: air, ocean, truck, and rail. Reported figures reflect well to wheel emissions. • Emissions from transportation of Converse products outside of North America and transportation of NikeID products are excluded.

Exclusions
Each year, we aim to increase the quality of the data reported. As tenants of leased facilities, we do not yet have access to complete refrigerant sources and certain energy sources for shared building common spaces.

GHG Base Data
Activity data used to calculate Scope 1 (direct) emissions is sourced from direct measurements or third-party invoices (e.g., diesel, jet fuel and natural gas). Activity data used to calculate Scope 2 (indirect) emissions is sourced from third-party invoices (e.g., electricity) wherever possible and is collected across the business via a variety of internal processes and systems. Scope 3 (commercial air travel) data used to report GHG emissions from transporting our employees is obtained from reports provided by third parties which includes number of flights and distance data. Activity data used to calculate Scope 3 inbound and outbound emissions are sourced from third-party invoices (e.g., supplier expenditure including weight, transportation type, distance, and weight/volume) and is collected across the business via a variety of internal processes and systems.

As described in this assertion, activity data for Scope 1 and Scope 2 is sourced from estimates where actual consumption data is not available. NIKE continues to work on obtaining systematic access to more actual consumption data. Estimates are described in more detail below. Reported data has been rounded to the nearest whole number.

Estimation Methodology
Estimation methodologies employ reasonable assumptions to avoid understating NIKE's emissions footprint and are described below.

Natural Gas (retail and non-HQ offices outside of the U.S. and Canada, and landlord-managed sites in the U.S. and Canada)	Where actual data is not available, natural gas usage is estimated for sites outside of the U.S. and Canada, and for landlord-managed sites in the U.S. and Canada. Square footage of retail and non-HQ offices per country is used, along with country-level climate assumptions and CBECS energy use intensity (kWh per square foot) based on climate region. In the U.S. and Canada, where some sites are landlord-managed and visibility on energy consumption is low, our internal known average country-level energy use intensity is used instead of the external CBECS benchmark. Approximately 91% of retail scope 1 emissions in FY21 were estimated, and approximately 89% of non-HQ scope 1 emissions in FY21 were estimated.
Electricity (retail and non-HQ offices outside of the U.S., Canada, and EU, and landlord-managed sites in the U.S., Canada, and the EU)	Where actual data is not available, electricity usage is estimated for sites outside of the U.S., Canada, and EU and for landlord-managed sites in the U.S., Canada, and EU. Square footage of retail and non-HQ offices per country is used, leveraging actual FY21 square footage data, along with electricity intensity (kWh per square foot of known FY21 NIKE electricity usage in retail or offices). Approximately 96% of retail scope 2 market-based emissions in FY21 were estimated. Approximately 77% of non-HQ scope 2 market-based emissions in FY21 were estimated.
Propane (DC)	Propane usage at one DC is estimated leveraging propane consumption intensity at a comparable DC based on relative square footage.
Fugitive emissions from refrigerant gas loss (DC)	Refrigerant leakage from HVAC units was calculated by applying an operating emission factor (i.e., leak rate) of 10% (sourced from EPA's Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases) to the total system capacity across all units. The Global Warming Potential ("GWP") of R410a was sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report published in 2014.

Emission Factors
Emissions are reported in metric tons of carbon dioxide equivalent and include CO_2, CH_4 and N_2O. Exceptions to reporting CH_4 and N_2O are as follows:

- Facilities' emissions are reported in CO_2e, however, within a limited subset of consumption data, emission factors for other gases (CH_4, N_2O) are not provided. These exceptions include AIB/EU Residual Mix Emissions factors, Green-E/US Residual Mix, and certain supplier-specific emission factors. In these cases, CH_4 and N_2O emissions are sourced from the next available source in the market-based emission factors hierarchy.
- Commercial Travel emissions are in CO_2 due to data availability. The emissions from other gases are not material to NIKE's reported GHG emissions.

Carbon dioxide emissions and equivalents resulting from the activities and business units described above have been determined on the basis of measured or estimated fuel and electricity usage, multiplied by relevant, published carbon emission factors, which are updated annually according to an internal policy to use the most recent emission factors available before the annual internal cutoff date, which is 15 days after the fiscal year end. Carbon dioxide equivalent emissions utilize GWPs primarily sourced from the Intergovernmental Panel on Climate Change Fifth Assessment Report (Assessment Report 5 – 100 year), and EPA emission factor sources use Assessment Report 4.

In quantifying market-based electricity GHG emissions, GHG Protocol Scope 2 Guidance defines a hierarchy of factors for quantifying market-based emissions, in order from highest to lowest precision. The table below describes the hierarchy and the relevance to NIKE for the current year reporting.

Emission Source Type	*Emission Factor Employed*
Direct Line Connection	Not applicable
Energy Attribute Certificates	NIKE applies a zero emission factor for on-site solar and wind generation where Renewable Energy Credits (or Guarantees of Origin) generated are retained by NIKE and for purchased renewable energy attribute certificates applied to NIKE's operations. Biofuel renewable energy credits employ a zero emission factor for CO_2;, biofuel source-specific emission factors are applied to fugitive emissions for CH_4 and N_2O and are not material.
Electricity Contracts	NIKE applies a zero emission factor for all facilities in scope of its power purchase agreements.
Energy Supplier-Specific Emissions Factors	U.S., Canada and EU: NIKE applies publicly available supplier-specific emission factors where available.
Residual Mix	U.S. and Canada: NIKE applies residual mix emission factors from Green-e Energy U.S. Residual Mix Emissions Rates. EU: NIKE applies country emission factors from the Association of Issuing Bodies (AIB).
Location-Based Factors	If none of the above options are available, NIKE uses location-based factors as described in the table below.

The table below outlines the emission factor sources used in FY21 emissions calculations.

Emission Source	*Emission Source Type*	*Emission Factor Employed*
Scope 1	Natural Gas	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Hi-sene	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Diesel	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Propane	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Gasoline	GHG Protocol Emissions Factors from Cross-Sector Tools March 2017
Scope 1	Fugitive emissions from refrigerant gas loss	*Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report published in 2014; EPA's Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases published in 2014*
Scope 1	Jet Fuel	GHG Protocol Emissions Factors from Cross-Sector Tools March 2017
Scope 2	Electricity (U.S., Canada & EU)	Contractual instruments: (Virtual) Power Purchase Agreements (vPPA); energy attribute certificates (EAC). In FY21, NIKE employed a zero emission factor for: • Facilities in Oregon, U.S. that are in scope of NIKE's PPA with Avangrid • Facilities in the U.S. and Canada that are in scope of NIKE's U.S. vPPA • Facilities in the European Economic Area are in scope of NIKE's EU vPPA • Facilities in EU that purchase solar and/or wind GOs/EACs
Scope 2	Electricity (U.S., Canada, and EU)	Supplier-specific emission factors (various sources) *In the absence of a contractual instrument (or electricity consumption that exceeds onsite renewables and contractual instruments), NIKE applied supplier-specific emission factors where they are available and meet a third-party quality criteria review.*
Scope 2	Electricity (U.S. and Canada)	Green-e Energy US Residual Mix Emissions Rates *For facilities in the U.S. and Canada that do not have contractual instruments or supplier-specific emission factors available, NIKE uses residual mix factors.*
Scope 2	Electricity (U.S.)	eGRID (location-based) *In the absence of contractual instruments, supplier-specific emission factors, and residual mix factors, NIKE applies a regional/national grid mix factor. This only applies to landlord-managed facilities in the U.S.*
Scope 2	Electricity (EU)	AIB European Residual Mixes *For facilities in the EU that do not have contractual instruments or supplier-specific emission factors available, NIKE uses residual mix factors.*
Scope 2	Electricity (Global, excluding U.S.)	IEA World Electricity CO_2 Emissions Factors (location-based) *In the absence of contractual instruments, supplier-specific emission factors, residual mix factors, and a regional/national grid mix factor, NIKE applies a protocol that covers all countries globally. This global protocol serves as a catch-all for any sites that haven't obtained an emission factor from a more granular source in the market-based hierarchy.*
Scope 3 (Commercial Travel only)	Air travel	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 3 (Outbound Logistics)	Air, Ocean, Truck and Rail Shipping	Outbound logistics emission factors are sourced in compliance with the European Standards Methodology for calculations and declaration of energy consumption and GHG emissions of transport services (freight and passengers) DIN EN 16258 standard (March 2013).
Scope 3 (Inbound Logistics)	Air, Ocean, Truck and Rail Shipping	Inbound logistics emission factors are sourced in compliance with the European Standards Methodology for calculations and declaration of energy consumption and GHG emissions of transport services (freight and passengers) DIN EN 16258 standard (March 2013).

Uncertainty
GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the other sustainability metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

NIKE recognizes that commercial air travel and logistics remain an estimate since unforeseen circumstances can occur (e.g., different routes due to adverse weather or unforeseen aircraft fleet changes), however the figures presented are considered to be a reasonable estimate of NIKE's commercial air travel and logistics emissions.

Water

Background
In support of its Water Restoration target, NIKE funds project work aimed at supporting the long-term resilience of the water basins within its extended cotton supply chain. Thus far, NIKE has not implemented water restoration project activities itself, but instead supports project activities and implementation conducted by third-party partners (typically NGOs). Additionally, NIKE partners with third-party engineering firms to calculate approximate restoration volumes and tracks the volume of water restored through these projects. Since the inception of NIKE's Water Restoration projects in India and Australia, NIKE has funded more than $550,000 for the two projects.

Scope
NIKE's water restoration efforts focus on regions in Tier 4 of its cotton supply chain. NIKE only considers water restored through this portfolio of projects when calculating progress towards the water restoration target. Additional water restoration that occurs incidentally in or through unrelated NIKE activities is not included.

Estimation Methodology
NIKE works with project implementation partners and third-party engineering firms to quantify volumetric benefits from the water restoration projects. This quantification approach aligns with the World Resources Institute's Volumetric Water Benefit Accounting Methodology and uses the United National Food and Agricultural Organization (FAO) CROPWAT program, version 8.0 of CROPWAT and the Soil and Water Assessment Tool (SWAT) model, version 1.2.1 of SWAT (QSWAT+). Data inputs for quantification are provided by the project implementation partners and estimated volumetric benefits are discussed and confirmed with project partners and third-party engineering firms.

Conservatively, we assume that the benefits would accrue at a rate of approximately 20% per year for the first two years and 50% per year for years three and four. Beginning the fifth year the full volumetric benefits will be claimed. An external engineering firm determined NIKE's share of the total volume of water restored in FY21 was 2,063,366,665 liters.

The project types included in this volume of water restored include:

1. Agricultural water demand reduction measures (Beed District, Maharashtra State, India)
   a. VWB Indicator: Reduced consumption
   b. Calculation Method: Consumption method
2. Land conservation (Nimmia-Caira Wetlands, New South Wales (NSW), Australia)
   a. VWB (Volumetric Water Benefit) Indicator: Avoided runoff
   b. Calculation Method: Curve Number method
3. Wetland restoration and creation (Nimmia-Caira Wetlands, NSW, Australia)
   a. VWB Indicator: Increased recharge
   b. Calculation Method: Recharge method

Uncertainty

Volumetric water benefit quantification is subject to inherent measurement uncertainty as, short of project work that can accommodate water meters or similar tracking technologies, the interventions that support water restoration are nearly impossible to directly measure. Additionally, the data types needed for these projects are often variable, such as climate conditions, flow rates, irrigation efficiency, soil types, and evapotranspiration rates. Using WRI's VWBA Methodology's calculation methods and best estimates for data inputs, NIKE and its partners work to limit uncertainty to an acceptable degree. The selection by management of different but acceptable measurement techniques could result in materially different amounts of metrics being reported.

Global Reporting Initiative (GRI) Index

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards.

General Disclosures

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Organization Profile	102-1	Name of the organization	NIKE, Inc.		
	102-2	Activities, brands, products, and services	FY21 10-K: Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations: page 28 (Annual Report)		
	102-3	Location of headquarters	One Bowerman Dr, Beaverton, OR 97005		
	102-4	Location of operations	FY21 10-K: Item 1. Business: pages 2–3 and Item 2. Properties: page 24 (Annual Report) NIKE Manufacturing Map		
	102-5	Ownership and legal form	FY21 Proxy Statement Company Bylaws FY21 10-K: Item 5 page 25 (Annual Report)		
	102-6	Markets served	FY21 10-K: Item 1. Business: pages 1–7 (Annual Report)		
	102-7	Scale of the organization	FY21 10-K: Item 1. Business: pages 1–7 (Annual Report)		
	102-8	Information on employees and other workers	Data Tables, People: pages 145–149 People: pages 16–31 FY21 10-K: Item 1. Business: pages 5–7 (Annual Report) d. We do not have a significant portion of the organization's activities performed by people who are not employees. e. No significant variations.	102-8a, b: We currently do not have temporary workers in our data sources.	

Additional Information

FY21 Total employees by employment type and gender[86] (102-8c)	*Unknown HC*	*Female HC*	*Female % of total*	*Male HC*	*Male % of total*
Full-Time	0	24,878	76%	25,361	78%
Part-Time	0	7,710	24%	7,334	22%
Total Regular		32,588	100%	32,695	100%

FY21 Nike, Inc. employee totals[86] by ethnicity (U.S.)	*All employees*	*Directors+*	*VPs*
U.S. Racial and Ethnic Minorities	59.60%	30.50%	30.20%
Unknown	0.40%	0.80%	0.60%
White (Not Hispanic/Latino)	39.90%	68.60%	69.20%

86 Temporary employees excluded.
Note: Numbers may not add up to 100% due to rounding.
Not included in the data above are U.S. NIKE employees working outside the U.S.

	102-9	Supply chain	FY21 10-K: Item 1. Business: pages 1–5 (Annual Report) Foundational Expectations: pages 60–69 Stages of Our Value Chain Measuring Our Value Chain Footprint		
	102-10	Significant changes to the organization and its supply chain	FY21 10-K: Item 1. Business: page 7 (Annual Report)		
	102-11	Precautionary Principle or approach	Issue Prioritization: pages 138–141 Risk Management: page 143		

General Disclosures

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Organization Profile	102-12	External initiatives	Sustainability Commitments Foundational Sourcing Expectations We also mention external initiatives throughout the report.		
	102-13	Membership of associations	Partnerships & Collaborations We also mention memberships throughout the report.		
Strategy	102-14	Statement from senior decision-maker	Letter From Our CEO: page 4 Letter From the Chair of the Corporate Responsibility, Sustainability & Governance Committee: page 8		
	102-15	Key impacts, risks and opportunities	Risk Management: page 143 Issue Prioritization: pages 138–141		
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Letter From Our CEO: page 4 NIKE Code of Conduct NIKE Code Leadership Standards NIKE Code of Ethics Sustainability Policies		16
Governance	102-17	Mechanisms for advice and concerns about ethics	NIKE Code of Conduct NIKE Code of Business Conduct Speak Up Portal Human Rights and Labor Compliance Standards		16
	102-18	Governance structure	FY21 Proxy Statement: Corporate Governance: pages 7–29 Governance: page 142		
	102-19	Delegating authority	FY21 Proxy Statement: Corporate Governance: pages 7–29 Governance: page 142		
	102-20	Executive-level responsibility for economic, environmental, and social topics	FY21 Proxy Statement: Corporate Governance: page 26		
	102-21	Consulting stakeholders on economic, environmental, and social topics	Issue Prioritization: pages 138–141		16
	102-22	Composition of the highest governance body and its committees	Board of Directors Board Committee Charters NIKE, Inc. Executive Leadership Team NIKE Code of Ethics		5 16
	102-23	Chair of the highest governance body	Executives		16
	102-24	Nominating and selecting the highest governance body	Nominating and Corporate Governance Committee		5 16
	102-25	Conflicts of interest	NIKE Code of Ethics		16
	102-26	Role of highest governance body in setting purpose, values, and strategy	Nominating and Corporate Governance Committee Corporate Responsibility and Sustainability Committee		
	102-27	Collective knowledge of highest governance body	FY21 Proxy Statement: Corporate Governance: Shareholder Proposals, page 70		
	102-28	Evaluating the highest governance body's performance	Corporate Responsibility and Sustainability Committee FY21 Proxy Statement: Corporate Governance: Shareholder Proposals, page 70		

General Disclosures

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Governance	102-29	Identifying and managing economic, environmental, and social impacts	FY21 10-K: Item 1A. Risk Factors: pages 10–24 (Annual Report) FY21 10-K: Risk Management and Derivatives: pages 80–84 (Annual Report) People: pages 16–60 Play: pages 71–81 Planet: pages 83–135		
	102-30	Effectiveness of risk management processes	Issue Prioritization: pages 138–141 Risk Management: page 143		
	102-32	Highest governance body's role in sustainability reporting	Governance: page 142		
	102-35	Remuneration policies	FY21 Proxy Statement: ITEM 11: Executive compensation: page 95		
	102-36	Process for determining remuneration	Compensation Committee FY21 Proxy Statement: ITEM 11: Executive compensation: page 95		
	102-38	Annual total compensation ratio	Pay & Benefits: pages 32–33		
	102-39	Percentage increase in annual total compensation ratio	Pay & Benefits: pages 32–33		
Stakeholder Engagement	102-40	List of stakeholder groups	Issue Prioritization: pages 138–141 Partnerships & Collaborations		
	102-41	Collective bargaining agreements	FY21 10-K: Item 1. Employees: page 6 (Annual Report)		
	102-42	Identifying and selecting stakeholders	Partnerships & Collaborations		
	102-43	Approach to stakeholder engagement	Partnerships & Collaborations Governance: page 142		
	102-44	Key topics and concerns raised	Issue Prioritization: pages 138–141		
Reporting Practice	102-45	Entities included in the consolidated financial statements	About This Report: page 137 FY21 10-K: Item 1. Business: page 1 (Annual Report)		
	102-46	Defining report content and topic Boundaries	Issue Prioritization: pages 138–141		
	102-47	List of material topics	Issue Prioritization: pages 138–141		

General Disclosures

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Reporting Practice	102-48	Restatements of information	In cases where shifts in scope, methodology and/or data quality have led to changes in previously reported performance results, we've restated historically reported results.		

Data Integrity

Sustainability data is shaped by a landscape of evolving methodologies, advancing standards, and expansions in data accessibility over time. Adapting to these changes while maintaining comparability in our data is critical to instilling integrity and confidence in the validity of the insights the data provides. We understand that we must adapt and be nimble to keep pace with broadening data sets and emerging standards. We continue to focus on the internal controls in our sustainability data processes and systems. We have obtained external assurance on select reported metrics (Scope 1 and 2 energy consumption and emissions, renewable electricity, Scope 3 commercial air travel emissions, and inbound and outbound logistics emissions; selected diversity and inclusion data; and cumulative water restoration funding). More information can be found in the appendix. In cases where shifts in scope, methodology and/or data quality have led to changes in previously reported performance results, we've restated historically reported results and provided context on the changes in the Restatements section of the Appendix. The data presented in this report has been collected through a variety of processes, reviewed and internally validated, and represents the most complete and accurate information at the time of publication. NIKE will continue to be transparent on revisions to reported data in the future.

FY20 was the target year for our FY20 targets (FY15–20) and is the baseline year for the majority of our 2025 targets. The continual expansion of our Purpose targets' depth and breadth is a key element of our strategy. As such, we introduced new areas included in target scope with the FY25 targets. As a result, in many cases, FY20 values disclosed in the FY20 NIKE Impact Report differ from those provided in this report, reflecting the more inclusive measurement scope in our most current targets.

COVID-19 Methodology

Estimation methodology for FY20 Q4 COVID-19 slowdown adjustments are as follows:

- Carbon Scope 1 and 2 Emissions (except for HQ security vehicles); Transportation Emissions – Activity Data: FY20 Q3 trailing 12 months ((TTM); FY20 Q4 = FY19 Q4). Emissions Factors, Scope: unadjusted FY20.
- Carbon Manufacturing Emissions – Activity Data: FY20 Q4 = percent of FY observed historically. Emissions Factors, Scope: unadjusted FY20.
- Waste Manufacturing and Packaging – FY20 Q4 = average of Q1–3.
- Waste DCs, HQs, Air MI – FY20 Q3 TTM.
- Water – FY20 Q4 = average of Q1–3.

Due to the effects of COVID-19, the fourth quarter of FY20 (March 2020–May 2020) resulted in lower than normal production, impacting the final measurement year of our FY20 targets and baseline measurement year of our FY25 targets. To help enable measurement consistency and avoid the inevitable artificial reductions in performance metrics during this unprecedented time, continuing our approach from our FY20 NIKE Impact Report, we have adjusted Q4 performance figures for the targets that were most impacted (carbon, waste and water). These Q4 adjustments generally reflect an FY20 Q3 trailing 12-month view of performance and provided a more conservative view of where we landed on FY20 targets than would be rendered using actual performance figures during the global shutdown. These adjustments had the effect of inflating our footprint to resemble business as usual and were only applied to targets where we were aiming for a reduction in impact vs. baseline ("reduction targets") and to targets where we were aiming to reach a certain percentage ("reach targets") that share underlying data with reduction targets. None of the adjustments resulting in meeting targets that we would not have met if we didn't normalize our performance to minimize the impact of the COVID-19 slowdown on our FY20 targets target year and FY25 targets baseline year. We carried this approach through to measuring performance toward our FY25 targets to ensure consistency in how we accounted for the pandemic across target periods.

General Disclosures

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Reporting Practice	102-49	Changes in reporting	No significant changes from previous reporting periods in the list of material topics and topic Boundaries.		
	102-50	Reporting period	About This Report: page 137		
	102-51	Date of most recent report	We published the FY21 Impact Report in March of 2022.		
	102-52	Reporting cycle	NIKE reports on an annual reporting cycle.		
	102-53	Contact point for questions regarding the report	purpose@nike.com		
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report: page 137		
	102-55	GRI content index	Global Reporting Initiative (GRI) Index: pages 170–183		
	102-56	External assurance	PwC Assurance Report: page 159 NIKE, Inc. Management Assertion: page 161		

Environmental

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Economic Performance					
Material Aspects: Climate Change Adaptation					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Carbon: pages 84–103		
	103-2	The management approach and its components	Carbon: pages 84–103		
	103-3	Evaluation of the management approach	Carbon: pages 84–103		
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	Carbon: pages 84–103 Risk Management: page 143		
Materials					
Material Aspects: Product Design and Circularity, Materials Sourcing					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Carbon: pages 84–103 Waste: pages 104–122		
	103-2	The management approach and its components	Carbon: pages 84–103 Waste: pages 104–122		
	103-3	Evaluation of the management approach	Carbon: pages 84–103 Waste: pages 104–122		
GRI 301: Materials	301-1	Materials used by weight or volume	Carbon: pages 84–103		
		Additional Information NIKE reports its top material volumes, which include renewable materials: cotton and leather; and non-renewable materials: polyester, rubber and EVA foam. All material types reported are purchased from external suppliers except for EVA foam, which is sourced internally. Data reported consists of both direct measurements and estimates. While many materials are measured directly for a wide variety of products, some volumes are estimated. The majority of cotton and polyester volume data is sourced using direct measurements, though product creation data is used to estimate material volumes for certain parts of the business. Nike Brand apparel and footwear shifted data source used for FY25 targets reporting for majority of reporting.			8 
Energy					
Material Aspects: Renewables and Energy Use					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Carbon: pages 84–103		
	103-2	The management approach and its components	Carbon: pages 84–103		
	103-3	Evaluation of the management approach	Carbon: pages 84–103		
GRI 302: Energy	302-1	Energy consumption within the organization	Carbon: pages 84–103 Data Tables, Planet: pages 151–157		8 
	302-2	Energy consumption outside of the organization	Carbon: pages 84–103 Data Tables, Planet: pages 151–157		
	302-3	Energy intensity	Carbon: pages 84–103 Data Tables, Planet: pages 151–157		

Environmental

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Water					
Material Aspects: Air and Water Pollution					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Water: pages 123–129		
	103-2	The management approach and its components	Water: pages 123–129		
	103-3	Evaluation of the management approach	Water: pages 123–129		
GRI 303: Water And Effluents 2018	303-1	Interactions with water as a shared resource	Water: pages 123–129		
		Additional Information Contract manufacturers report their freshwater withdrawal volumes and source to NIKE in accordance with NIKE's Water Program, which outlines measurement practices and defines freshwater sources. The facility boundary is equivalent to the property boundary, and freshwater is inclusive of domestic and manufacturing use.			
	303-2	Management of water discharge-related impacts	Water: pages 123–129 NIKE Code Leadership Standards		
	303-5	Water consumption	Water: pages 123–129		
Emissions					
Material Aspects: GHG Emissions, Air and Water Pollution					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Carbon: pages 84–103		
	103-2	The management approach and its components	Carbon: pages 84–103		
	103-3	Evaluation of the management approach	Carbon: pages 84–103 PwC Assurance Report: page 159		
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Carbon: pages 84–103 Data Tables, Planet: pages 151–157		8 
	305-2	Energy indirect (Scope 2) GHG emissions	Carbon: pages 84–103 Data Tables, Planet: pages 151–157		8 
	305-3	Other indirect (Scope 3) GHG emissions	Carbon: pages 84–103 Data Tables, Planet: pages 151–157		
	305-4	GHG emissions intensity	Carbon: pages 84–103 Data Tables, Planet: pages 151–157		8

Environmental

Additional Information

NIKE converts all energy consumed to kWhe using net calorific value of the direct fuels consumed, including transportation fuels. Emissions data for HFCs, PFCs and SF_6 are not reported. NIKE has phased out SF_6 and therefore doesn't have SF_6 emissions. Emissions for other greenhouse gases are either not relevant, immaterial or data is not available.

Scope 1 and 2

For information on direct and indirect energy consumption, Scope 1 and 2 emissions and the Scope 3 emissions accounting standard used, see the Management Assertion letter. Additional breakdowns of Scope 1 and 2 emissions are shown below.

FY21 Fuel & Electricity Consumption (MWh) & Scope 1 & 2 Emissions (Metric Tons CO_2e) by Country

Country/Region	*Fuel Consumed (MWh)*	*Scope 1 (Metric Tons CO_2e)*	*Grid Electricity (MWh)*	*Onsite Solar (MWh)*	*Onsite Wind (MWh)*	*Location-Based Scope 2 (Metric Tons CO_2e)*	*Market-Based Scope 2 (Metric Tons CO_2e)*
Argentina	1,286	263	3,396	–	–	1,094	1,094
Australia	1,113	225	2,615	–	–	1,862	1,862
Austria	749	152	914	–	–	136	32
Belgium	13,716	2,778	31,149	5,446	15,120	6,208	276
Brazil	2,720	553	4,433	222	–	461	453
Canada	10,811	2,190	6,390	–	–	852	0
Chile	680	138	2,575	–	–	1,034	1,034
China	33,091	6,670	62,532	2,216	–	39,939	39,745
Croatia	51	10	92	–	–	13	13
Czech Republic	216	44	202	–	–	96	38
Denmark	412	83	301	–	–	51	42
France	3,748	759	8,015	–	–	437	138
Germany	6,816	1,381	5,488	–	–	2,205	781
Greece	0	0	891	–	–	486	110
Hong Kong	680	138	1,719	–	–	1,468	1,468
Hungary	298	60	334	–	–	85	28
India	310	65	564	–	–	422	422
Indonesia	126	26	502	–	–	387	387
Ireland	324	66	565	–	–	188	66
Israel	0	0	976	–	–	483	483
Italy	2,554	517	4,827	–	–	1,487	724
Japan	6,087	1,233	15,213	–	–	7,577	7,577
Malaysia	604	123	1,302	–	–	861	861
Mexico	3,664	742	7,932	–	–	3,184	3,184
Netherlands	3,488	707	9,385	–	–	3,925	793
New Zealand	73	15	423	–	–	46	46
Norway	277	56	266	–	–	3	34
Panama	0	0	0	–	–	0	0
Philippines	62	13	526	–	–	347	347
Poland	1,045	212	1,029	–	–	729	259
Portugal	0	0	722	–	–	215	99
Russia	2,646	536	2,705	–	–	992	1,090
Singapore	760	154	1,636	–	–	638	638
South Africa	827	168	1,732	–	–	1,549	1,549
South Korea	6,358	1,414	8,499	–	–	4,546	4,546
Spain	3,538	717	6,382	–	–	1,620	588
Sri Lanka	0	0	0	–	–	0	0
Sweden	394	80	234	–	–	3	2
Switzerland	289	59	368	–	–	10	3
Taiwan	908	184	2,655	–	–	1,543	1,543
Thailand	418	85	755	–	–	366	366
Turkey	1,079	218	1,830	–	–	853	853
United Arab Emirates	8	2	14	–	–	7	7
United Kingdom	5,787	1,172	7,350	–	–	1,696	494
United States of America	88,081	18,635	354,545	673	–	159,165	37
Uruguay	198	40	414	–	–	9	9
Vietnam	184	39	4,140	–	–	2,299	2,299
Total	**206,477**	**42,720**	**568,534**	**8,557**	**15,120**	**251,578**	**76,420**

Environmental

FY21 Renewable Energy Use (MWh)

Energy Type	*Heating Value*	*MWh From Renewable Sources*	*MWh From Non-Renewable Sources*	*Total MWh*
Fuel (excluding feedstock)	LHV (lower heating value)	2,171	204,306	206,477
Purchased or Acquired Electricity		459,127	133,084	592,211
Total		**461,298**	**337,390**	**798,688**

FY21 Renewable MWh by Country and Type

Country	*Onsite Solar*	*Onsite Wind*	*RECs: Biomass*	*RECs: Hydroelectric*	*RECs: Solar*	*RECs: Wind*	*RECs: Wind & Solar*	*PPA: Oregon Avangrid*	*vPPA: North America Avangrid*	*vPPA: Europe Avangrid*	*Biogas*	*Total*
Austria	–	–	–	–	–	–	–	–	–	699	–	**699**
Belgium	5,446	15,120	12,891	394	345	22,239	–	–	–	1,259	2,171	**59,865**
Brazil	222	–	–	–	77	–	–	–	–	–	–	**299**
Canada	–	–	–	–	–	–	–	–	6,390	–	–	**6,390**
China	2,216	–	–	–	305	–	–	–	–	–	–	**2,521**
Croatia	–	–	–	–	–	–	–	–	–	63	–	**63**
Czech Republic	–	–	–	–	–	–	–	–	–	131	–	**131**
Denmark	–	–	–	–	–	–	–	–	–	203	–	**203**
France	–	–	–	–	–	–	–	–	–	5,672	–	**5,672**
Germany	–	–	–	–	–	–	–	–	–	3,714	–	**3,714**
Greece	–	65	–	–	–	–	–	–	–	604	–	**669**
Hungary	–	–	–	–	–	–	–	–	–	232	–	**232**
Ireland	–	–	–	–	–	–	–	–	–	418	–	**418**
Italy	–	–	–	–	–	–	–	–	–	3,253	–	**3,253**
Netherlands	–	229	–	–	–	–	–	–	–	7,407	–	**7,636**
Norway	–	–	–	–	–	–	–	–	–	180	–	**180**
Poland	–	–	–	–	–	–	–	–	–	707	–	**707**
Portugal	–	–	–	–	–	–	–	–	–	459	–	**459**
Spain	–	–	–	–	–	–	–	–	–	4,341	–	**4,341**
Sweden	–	–	–	–	–	–	–	–	–	164	–	**164**
Switzerland	–	–	–	–	–	–	–	–	–	266	–	**266**
United Kingdom	–	–	–	–	–	–	645	–	–	5,151	–	**5,796**
United States of America	673	–	–	–	2,595	–	–	117,237	237,114	–	–	**357,619**
Total	**8,557**	**15,414**	**12,891**	**394**	**3,322**	**22,239**	**645**	**117,237**	**243,505**	**34,923**	**2,171**	**461,298**

Environmental

Renewable Energy (MWh)

	FY16	*FY17*	*FY18*	*FY19*	*FY20*	*FY21*
Manufacturing (Tier 1) and Textile Dyeing and Finishing (Tier 2)[87]						
Renewable Energy	571,000	602,000	621,000	582,000	531,010	479,774
% of Total	13	13	14	12	9	8
Owned or Operated						
Renewable Energy	108,755	125,494	135,971	160,224	310,798	459,127
% of Total	20	22	22	27	48	78

87 Tier 1 and 2 data includes renewable energy use across footwear only up to FY20, at which point apparel has been added to reporting scope. Owned or operated data includes electricity only; full energy view for FY21 can be seen on the previous page.

FY21 Fuel Consumption by Fuel Type (MWh)

Natural Gas	195,206
Jet Fuel	5,534
Hi-Sene	2,930
Gasoline	840
Diesel	1,714
Propane	253
Total	**206,477**

FY21 Steam, Heat, Cooling Consumption (MWh)

Steam	0
Heat	0
Cooling	0

FY21 Biomass CO_2 Emissions (Metric Tons CO_2e)

	4,641

FY21 Scope 1 Emissions by Gas (Metric Tons CO_2e)

CH_4	109
CO_2	42,223
N_2O	25
Refrigerant CO_2e	363
Total	**42,720**

Environmental

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Effluents and Waste					
Material Aspects: Material Waste					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Waste: pages 104–122		
	103-2	The management approach and its components	Waste: pages 104–122		
	103-3	Evaluation of the management approach	Waste: pages 104–122		
GRI 306: Waste (2020)	306-1	Waste generation and significant waste-related impacts	Waste: pages 104–122		
	306-2	Management of significant waste-related impacts	Waste: pages 104–122		
	306-3	Waste generated	Data Tables, Planet: page 158		

Additional Information

Most DC, office and Air MI waste disposal data and method has been determined by information provided by waste disposal contractors. In some facilities, NIKE directly contracts with disposal providers for material-specific streams or specific containers. In other facilities, NIKE uses one provider for all waste streams. Contract manufacturers report their solid waste generation and disposal method to NIKE in accordance with NIKE's Waste Program, which outlines separation and handling practices for non-hazardous waste and defines waste items and management methods.

Total weight of hazardous waste (metric tons)[88, 89]	*FY21*
Total Weight	**12,091**

88 Best available data reported to NIKE by manufacturing partners, including Tier 1 footwear and apparel focus suppliers and Air MI.

89 Annual compliance audits verify that our partners are meeting the requirements in the NIKE Code Leadership Standards (CLS) for suppliers. Auditors confirm that partners have obtained all required permits and that hazardous waste vendors selected by the partners are properly qualified and licensed. The CLS also outlines storage requirements for any location that generates or stores 100 kg or more of hazardous waste each month. Vendors selected by the partners are properly qualified and licensed. The CLS also outlines storage requirements for any location that generates or stores 100 kg or more of hazardous waste each month.

Social

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Occupational Health and Safety					
Material Aspects: Employee Health and Safety					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Health & Safety: pages 38–41		
	103-2	The management approach and its components	Issue Prioritization: pages 138–141 Health & Safety: pages 38–41 Culture of Health and Safety NIKE Code Leadership Standards		
	103-3	Evaluation of the management approach	Health & Safety: pages 38–41 NIKE Code Leadership Standards		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health & Safety: pages 38–41		
	403-2	Hazard identification, risk assessment, and incident investigation	Health & Safety: pages 38–41 NIKE Code Leadership Standards		
	403-3	Occupational health services	Health & Safety: pages 38–41 NIKE Code Leadership Standards		
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety: pages 38–41		
	403-5	Worker training on occupational health and safety	Health & Safety: pages 38–41 Pay & Benefits: pages 32–37 NIKE Code Leadership Standards		
	403-6	Promotion of worker health	Health & Safety: pages 38–41 NIKE Code Leadership Standards		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & Safety: pages 38–41 NIKE Code Leadership Standards		
	403-8	Workers covered by an occupational health and safety management system	Health & Safety: pages 38–41 NIKE Code Leadership Standards		
	403-9	Work-related injuries	Health & Safety: pages 38–41		
	403-10	Work-related ill health	Health & Safety: pages 38–41		

Social

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
Diversity and Equal Opportunity					
Material Aspects: Employee Diversity, Equity and Inclusion					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Issue Prioritization: pages 138–141 Representation & Hiring: pages 17–31 Pay & Benefits: pages 32–37 Inclusive Culture & Engagement: pages 42–51		
	103-2	The management approach and its components	Representation & Hiring: pages 17–31 Pay & Benefits: pages 32–37 Inclusive Culture & Engagement: pages 42–51 Jobs at NIKE		
	103-3	Evaluation of the management approach	Representation & Hiring: pages 17–31 Pay & Benefits: pages 32–37 Inclusive Culture & Engagement: pages 42–51		
GRI 405: Diversity And Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	Pay & Benefits: pages 32–37		
Forced or Compulsory Labor					
Material Aspects: Forced Labor					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Occupational Health & Safety: pages 56–58 Foundational Expectations: pages 60–69 Issue Prioritization: pages 138–141		
	103-2	The management approach and its components	Occupational Health & Safety: pages 56–58 Foundational Expectations: pages 60–69 Issue Prioritization: pages 138–141 Code of Conduct NIKE Code Leadership Standards		
	103-3	Evaluation of the management approach	Foundational Expectations: pages 60–69 Issue Prioritization: pages 138–141		
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Foundational Expectations: pages 60–69 Data Tables, Foundational Expectations: page 150 Issue Prioritization: pages 138–141 NIKE Code Leadership Standards		
Human Rights Assessment					
Material Aspects: Labor Rights in the Supply Chain					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Representation & Hiring: pages 17–31 Pay & Benefits: pages 32–37 Foundational Expectations: pages 60–69 Issue Prioritization: pages 138–141		
	103-2	The management approach and its components	Representation & Hiring: pages 17–31 Pay & Benefits: pages 32–37 Foundational Expectations: pages 60–69 Issue Prioritization: pages 138–141		
	103-3	Evaluation of the management approach	Representation & Hiring: pages 17–31 Pay & Benefits: pages 32–37 Foundational Expectations: pages 60–69 Issue Prioritization: pages 138–141		

Social

GRI Standard	*Number*	*GRI Disclosure*	*Location and Notes*	*Omission*	*UNGC Principle/ SDG Mapping*
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Foundational Expectations: pages 60–69 Data Tables, Foundational Expectations: page 150		
	412-2	Employee training on human rights policies or procedures	Inclusive Culture & Engagement: pages 42–51 Occupational Health & Safety: pages 56–58 Foundational Expectations: pages 60–69 Health & Safety: pages 38–41 NIKE Code Leadership Standards		
Material Aspects: Health and Safety in the Supply Chain					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	Health & Safety: pages 38–41 Foundational Expectations: pages 60–69		
	103-2	The management approach and its components	Health & Safety: pages 38–41 Foundational Expectations: pages 60–69		
	103-3	Evaluation of the management approach	Health & Safety: pages 38–41 Foundational Expectations: pages 60–69		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Occupational Health & Safety: pages 56–58 Health & Safety: pages 38–41 Foundational Expectations: pages 60–69 Representation & Hiring: pages 17–31 Data Tables, Foundational Expectations: page 150		

FY21 NIKE, Inc. Impact Report

purpose.nike.com

www.nike.com