



WFSGI COMMUNICATION ON ACTION

Reporting Template

Company Name:	NIKE, INC.
Type of Company:	Brand
Number of Employees	74,400
Country:	USA
Filled in by:	
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Position:	Senior Director, Labor Excellence, Sustainable Manufacturing & Sourcing
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Date:	July 3 rd , 2018
Reporting period:	June 2017 – June 2018

After you complete this document, please send a copy to WFSGI (preferably by email) to:

Karolina BrazYTE
Email: kbrazYTE@wfsGI.org

or

Marc-Ivar Magnus
Email: mmagnus@wfsGI.org

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Part A

Commitment to the WFSGI Code of Conduct: Statement by Senior Decision-Maker

Provide a statement from a senior decision-maker of the organization (e.g. CEO, Chair, Senior Corporate Responsibility Manager, etc.) that expresses continued support for the WFSGI Code of Conduct and ongoing commitment to its provisions. Please include the individual's name and job title at the bottom of the statement. The statement could include:

- The importance of commitment to the principles of the WFSGI Code of Conduct
- Key corporate responsibility issues for the company
- An outlook on the organization's main challenges
- An overview of CR governance at the company
- Broader trends (i.e. political or economic) that affect the company and its corporate responsibility performance, etc.

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

NIKE is committed to the principles described in the WFSGI Code of Conduct, as evidenced by NIKE's Manufacturing Code of Conduct and accompanying Code Leadership Standards. All NIKE contract manufacturers are required to comply with the NIKE Code of Conduct. See links in Part B1.

Part B

Description of Actions Taken during the Reporting Year to Implement the WFSGI Code of Conduct

B.1 Programs and Actions

Provide a description of practical actions that the company has taken (or plans to undertake) to implement the WFSGI Code of Conduct. This includes programs or activities that address specific areas such as human rights, decent working conditions, community involvement, the environment, etc. For example:

- Operating programs to implement own or other Codes of Conduct
- Operating environmental programs (including waste reduction, responsible usage of water and energy resources, recycling practices, hazardous waste management policies, fuel reduction, etc.)
- Employee education and training programs
- Supplier capacity building and training programs (including human resources management, health, safety & environment)
- Community Affairs programs (including charities, sponsorships, corporate volunteering, corporate giving, etc.)

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

Every contract factory that makes products for NIKE and our brands must meet a rigorous set of compliance requirements. NIKE's Code of Conduct clarifies and elevates the expectations we have of our factory suppliers and outlines minimum standards we expect each factory to meet. Our Code includes standards related to hiring practices, wages, freedom of association and health and safety. In FY18 we updated our Code to elevate key expectations around the environment, building and machine safety, women's rights, and chemical management, among others.

NIKE's Code of Conduct is an integral component of our sourcing strategy and how we determine which factories NIKE will continue to engage and grow with to create a lean, green, equitable and empowered supply chain.

We regularly review contract factories to assess their ability to meet their high standards. To assess progress, we regularly audit contract factories against our Code of Conduct and Code Leadership Standards, often with the support of independent third-party organizations. Results of audits done by these third party organizations are shared transparently through their sites.

NIKE's expectations for suppliers start with our Code of Conduct and Code Leadership Standards. NIKE's Code of Conduct is aligned with international standards and contains the foundational requirements all suppliers must meet in producing Nike-branded products. The Code Leadership Standards contain more detailed requirements on how the NIKE Code of Conduct must be implemented. They also include specification on the development of robust management systems which are essential to consistently maintaining compliance with local law and our standards.

Link to see more information about NIKE's Code of Conduct: <https://sustainability.nike.com/code-of-conduct>

Link to download NIKE's Code of Conduct:

https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike_Code_of_Conduct_2017_English.pdf

Link to download NIKE's Code Leadership Standards:

<https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike-Code-Leadership-Standards-September-2017-English.pdf>

Please also see our FY1617 Sustainable Business Report:

https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/18175102/NIKE-FY1617-Sustainable-Business-Report_FINAL.pdf (pp38-51)

As well as our recently updated sustainability website: <https://sustainability.nike.com/sourcing-manufacturing-standards>

B.2 Policies

Briefly describe any company policies that are relevant to the WFSGI Code of Conduct. For example:

- *Non-discrimination policy*
- *Environmental policy*
- *Child labor policy, etc.*

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

Please see our Code of Conduct and Code Leadership Standards that detail NIKE's policies for non-discrimination, environment and child labor, among many others.

Link to download NIKE's Code of Conduct:

https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike_Code_of_Conduct_2017_English.pdf

Link to download NIKE's Code Leadership Standards:

<https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike-Code-Leadership-Standards-September-2017-English.pdf>

Link to NIKE's Statement on Forced Labor, Human Trafficking and Modern Slavery for Fiscal Year 2017 (pursuant to the UK Modern Slavery Act of 2015 and California Transparency in Supply Chains Act of 2010):

<https://www.nike.com/help/a/supply-chain>

For more information on our policy on child labor please see our FY1617 Sustainable Business Report:



https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/18175102/NIKE-FY1617-Sustainable-Business-Report_FINAL.pdf (pp49-50)

Please also see our recently updated sustainability website for more on our position on these priority issues:

<https://sustainability.nike.com/human-rights>

<https://sustainability.nike.com/sourcing-manufacturing-standards>

B.3 Collaborations & Memberships

List any relevant collaborations and memberships of corporate responsibility initiatives and programs. For example:

- Business Social Compliance Initiative (BSCI)
- Ethical Trading Initiative (ETI)
- Fair Labor Association (FLA)
- Fair Wear Foundation (FWF)
- Social Accountability International (SAI), etc.

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

Please see NIKE's partners listed on our recently updated sustainability website:

<https://sustainability.nike.com/partnerships-collaborations>

Fair Labor Association
Better Work
Social Labor Convergence Project
Sustainable Apparel Coalition
Ellen MacArthur Foundation
PeacePlayers International
Girls Inc.
MENTOR
Better Cotton Initiative
Textile Exchange
Leather Working Group
World Federation of Sporting Goods Industry
Ceres
BSR
ZDHC

B.4 Certifications & Awards

List any relevant corporate responsibility certifications or awards that your company has received. For example:

- OHSAS 18000 certification
- ISO 26000 certification
- SA 8000 certification
- ISO 14000 certification, etc.

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

Please see NIKE's FY1617 Sustainable Business Report. LEED Certification has been pursued in NIKE retail stores and a new building in our European Logistics Campus.

NIKE is also an accredited FLA Participating Company.

https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/18175102/NIKE-FY1617-Sustainable-Business-Report_FINAL.pdf (p27)
<http://www.fairlabor.org/affiliates/participating-companies>

Part C

Progress against Previously Set Targets

Provide information about the company's progress against relevant targets or performance, or other qualitative and/or quantitative measurements of results. For example:

- *Reduction in the number of accidents at the workplace*
- *Progress against energy saving targets, water saving targets, emission reduction targets*
- *Use of more environmentally-sound materials*
- *Phase-out of critical chemicals, etc.*

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

Please see NIKE's FY1617 Sustainable Business Report. Progress against our targets is included throughout the report and a dashboard of performance is included in the 2020 Target Performance Summary (pp14-15)
https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/18175102/NIKE-FY1617-Sustainable-Business-Report_FINAL.pdf

Part D

Goals & Targets

List your long-term goals and priority targets for the next reporting period, and highlight priority areas the company intends to focus on in the next planning cycle. This section should illustrate the continuous improvement that the company is striving to achieve.

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

Please see NIKE's FY1617 Sustainable Business Report. NIKE's 2020 targets and measures are listed on pages 14-15.
https://sustainability-nike.s3.amazonaws.com/wp-content/uploads/2018/05/18175102/NIKE-FY1617-Sustainable-Business-Report_FINAL.pdf



Submission Deadlines for the Communication on Action (COA)

All member organizations are asked to submit their COA to the WFSGI by December 31, 2017. This submission should cover one year's actions and progress and should align with your standard reporting year. Any company wishing to become a member has to submit a COA along with their membership application.

Thereafter, member companies will be asked to report at least every two years. Companies can choose to report annually – this may be easier for those with annual reporting cycles. Each COA will have to cover actions and progress over the previous one or two years and the submission deadline is six months after the end of the company's reporting period. For example, if you are reporting for the period from April 1, 2016 to March 31, 2018, the COA is due on or before September 30, 2018.

In the event of an anticipated delay in submitting the COA, the organization may request an extension of the deadline by three months, providing a reasonable explanation for the delay and stating the date when the COA will be available. In the event that the member organization is not able to provide the COA, it should explain the reason to the WFSGI (the so-called "Comply or Explain" principle).

For further information on the COA, please contact Mr. Marc Magnus at mmagnus@wfsgi.org or Ms. Karolina Brazzite at kbrazzite@wfsgi.org.