

NIKE, INC. STATEMENT ON FORCED LABOR, HUMAN TRAFFICKING AND MODERN SLAVERY FOR FISCAL YEAR 2020

I. BACKGROUND

At NIKE, we respect human rights in our operations and extended value chain, and conduct business ethically and sustainably. NIKE supports human rights as defined by the Universal Declaration of Human Rights, which recognizes that “all human beings are born free and equal in dignity and rights.” We work to elevate human potential through our products, partnerships and operations, something that cannot be accomplished without a fundamental respect for human rights throughout NIKE’s operations. We expect the same from our suppliers, and focus on working with long-term, strategic suppliers that demonstrate a commitment to engaging their workers, providing safe working conditions and advancing environmental responsibility. This includes working to combat risks of forced labor.

For more information on NIKE’s commitment to sustainability and human rights, please see our annual [Impact Report](#).

This statement is being furnished pursuant to the UK Modern Slavery Act, the Australia Commonwealth Modern Slavery Act and the California Transparency in Supply Chains Act. This statement discusses NIKE’s global business practices to address forced labor. This statement encompasses NIKE, Inc. and its consolidated subsidiaries because we take a global approach to forced labor compliance. However, not all of our consolidated subsidiaries are subject to the UK Modern Slavery Act, the Australia Commonwealth Modern Slavery Act and the California Transparency in Supply Chains Act.

As used in this statement, forced labor includes modern slavery, prison labor, indentured labor, bonded labor, human trafficking, or other similar conduct.

II. NIKE OVERVIEW and SUPPLY CHAIN STRUCTURE

NIKE is the largest seller of athletic footwear and apparel in the world. We sell our products through NIKE-owned retail stores and through digital platforms, to retail accounts and through a mix of independent distributors, licensees and sales representatives in virtually all countries around the world. Virtually all of our products are manufactured by independent contract manufacturers. To learn more about NIKE, visit <https://investors.nike.com/investors/news-events-and-reports/default.aspx>.

We are strengthening long-term relationships with strategic suppliers and sourcing from fewer factories, focusing on those that are committed to our strict standards of sustainability, product excellence and compliance with local laws. Our sourcing strategy prioritizes and favors suppliers that show demonstrable leadership in corporate responsibility and sustainability, seeking to move beyond minimum standards. As part of our growth strategy, we seek suppliers who drive sustainable business growth by minimizing their environmental impacts, fostering a strong culture of safety and developing an engaged and valued workforce.

NIKE has disclosed the independent factories contracted to make NIKE products since 2005. An interactive map of NIKE's current suppliers can be found here: <http://manufacturingmap.nikeinc.com/>. The map includes the supplier group, location of the facility, type of products produced, number of workers, and information on the workforce profile including percentage employment of women and migrant workers.

NIKE's commitment to ethical practices in our own operations and our supply chain begins at the highest level – from our CEO and Board of Directors. NIKE, Inc.'s Corporate Responsibility, Sustainability & Governance Committee of the Board of Directors reviews and evaluates the Company's significant strategies, activities, policies, investments and programs regarding corporate purpose, including corporate responsibility, sustainability, human rights, global community and social impact, and diversity and inclusion; and, provides oversight of management's efforts to ensure that the Company's dedication to sustainability (including environmental sustainability and human rights) is reflected in its business operations.

NIKE's Purpose Committee – composed of our Chief Administrative Officer, Chief Communications Officer, Chief Financial Officer, Chief Operating Officer, Chief Marketing Officer, President Consumer and Marketplace, Executive Vice President Global Human Resources, Vice President/General Manager Global Categories, President of NIKE Direct, President Categories and Product, and the President Jordan Brand – reviews and confirms all company-wide sustainability policies and targets, reviews performance toward targets, receives updates on key issues and emerging trends, and provides oversight for efforts to improve data, transparency and disclosure.

III. NIKE'S CODE OF CONDUCT & STANDARDS TO ADDRESS FORCED LABOR

NIKE takes seriously and fully supports national and international efforts to end forced labor. NIKE's requirements for suppliers are contained in our Code of Conduct and Code Leadership Standards. The Code of Conduct lays out the required minimum standards we expect each supplier factory or facility to meet in producing NIKE products and includes strict requirements around forced and child labor, excessive overtime, compensation, and freedom of association amongst other requirements. The Code Leadership Standards specify how the Code of Conduct should be implemented. The document also articulates how we measure factories' compliance efforts and progress against our Code of Conduct, including specific requirements on the management of key forced labor risks.

We have progressively raised expectations for our contract factories through evolving standards of our Code of Conduct and Code Leadership Standards. NIKE's Code of Conduct and Code Leadership Standards include specific requirements to address key risks of forced labor including, but not limited to, prohibiting workers paying fees for employment, requiring employment terms and conditions to be provided and explained prior to departure from the home country with adequate time for review, providing contracts in both the worker's language and legally enforceable language in the receiving country, and prohibiting requirements to post bonds or make deposits as a condition of employment.

IV. DIRECT SUPPLIERS' CERTIFICATION OF MATERIALS

NIKE requires its finished goods suppliers to verify they are sourcing materials from vendors that are compliant with NIKE's Restricted Substances List (RSL) and NIKE's Code of Conduct. NIKE's Supply Agreements also explicitly require suppliers to comply with all local and country-specific labor laws and NIKE's Code of Conduct and Code Leadership Standards.

V. DUE DILIGENCE, RISK ASSESSMENT & MONITORING

RISK EVALUATION

NIKE continually evaluates and updates our systems to identify and address supply chain risks, including those related to forced labor. This process includes information from external sources such as risk assessments for key human rights risks, supplier specific risk profiling based on location, including the employment of vulnerable worker groups, and areas of improvement identified in audits. We also review information on key and emerging risk areas identified through our engagement with external stakeholders. NIKE is working towards mapping these risks further up the supply chain and is expanding engagement with Tier 2 suppliers. In recent years, we have prioritized our work on forced labor risks to focus on suppliers employing foreign migrant workers, a key vulnerable worker population.

In FY19, NIKE launched Verité's CUMULUS Forced Labor Screen™, a new due diligence tool to help identify risks related to the recruitment of foreign migrant workers by NIKE suppliers. NIKE was among the first adopters of the tool during its limited release with our initial launch with both Tier 1 and Tier 2 suppliers in Malaysia. In FY20, we expanded use of the tool to include Thailand, Taiwan, Japan, Jordan and Egypt. The work aims to help us understand current recruitment practices more deeply and allows us to map overlaps in recruitment agents at both the facility and country level. This process helps NIKE identify risks and opportunities to further support our 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.

AUDITING

We regularly audit contract factories, which are monitored on a schedule based on their performance. These assessments take the form of audit visits, both announced and unannounced, to measure against the NIKE Code of Conduct, Code Leadership Standards and local law.

NIKE uses both internal and external third-party audits to assess compliance with our requirements and local law. We also monitor conditions at contract factories through audits and assessments by independent organizations, including the Fair Labor Association and the Better Work Programme, a joint project of the International Labour Organization (ILO) and International Finance Corporation (IFC). In FY20, we expanded monitoring into our materials supply chain and logistics providers, conducting 561 total audits and assessments.

NIKE audits include detailed criteria to look at risks of forced labor, including the employment of vulnerable worker groups such as foreign migrants, interns and temporary workers and high-risk practices such as payment of recruitment fees or restrictions on freedom of movement.

REGIONAL EFFORTS

As a signatory of efforts such as the Responsible Sourcing Network's Turkmenistan Cotton Pledge and Uzbekistan Cotton Pledge, NIKE regularly engages in collective action to address targeted, regionally specific forced labor issues.

The reported situation in the Xinjiang Uyghur Autonomous Region (XUAR) in China is of a scale and complexity that is unprecedented in modern supply chains. We are deeply concerned about reports of forced labor in, and connected to, the XUAR. NIKE does not source products from the XUAR and we have confirmed with our contract suppliers that they are not using textiles or spun yarn from the region.

We have been conducting ongoing diligence with our suppliers in China to identify and assess potential risks related to employment of Uyghurs, or other ethnic minorities from XUAR, in other parts of China. In FY20, NIKE took steps to further strengthen our audit protocols to identify emerging risks related to potential labor transfer programs of Uyghurs, or other ethnic minorities, from the XUAR.

NIKE takes very seriously any reports about forced labor and we have been engaging with multi-stakeholder working groups to assess collective solutions that will help preserve the integrity of our global supply chains. We will continue to collaborate with industry experts, partners, industry associations, stakeholders and other organizations to understand, evaluate and address this critical global issue. For more information about our work, please see our statement [here](#).

REMEDIATION and EFFECTIVENESS

NIKE works with internal, external, and independent monitors to carry out audits and help in remediation and capability-building efforts. If we are provided evidence of an issue of non-compliance within one of our contract factories, we investigate it promptly. Where improvements are required, we seek to drive ownership by factory management to identify and correct issues, and also improve systems to address root causes in order to prevent future reoccurrences.

Working with a wide range of organizations and experts, NIKE continuously seeks to improve our approach to evaluating working conditions in our supply chain and supporting suppliers' efforts to enhance their capabilities.

Through our ongoing assessment process, NIKE has been in close collaboration with a supplier group to evaluate enhancements to programs designed to ensure foreign migrant workers did not pay fees related to their employment, in violation of NIKE's Code of Conduct and Code Leadership Standards. In FY20, a third party alerted us to concerns that workers were paying recruitment fees at one of the group's material production facilities. Upon further investigation, we coordinated with other stakeholders to help the factory develop and implement a remediation plan. The process yielded key learnings, which we continue to incorporate into capability-building for our other current suppliers around labor agent due diligence. During FY20, NIKE was also involved in specific factory remediation, in Malaysia and Taiwan, in collaboration with other brands, to advance responsible recruitment and employment practices across the sector and deeper within our supply chain.

VI. TRAINING AND ACCOUNTABILITY

NIKE believes suppliers that prioritize the well-being of their workers, by engaging with them to understand their needs, have better factory performance. We also believe that our ability to influence suppliers is dependent, in part, on building the right incentives and sanctions into our business relationships. Our Manufacturing Index (MI), introduced in 2012, scores factories on sustainability – including labor practices – on a par with traditional metrics of cost, quality and on-time delivery.

To more fully integrate our compliance and sustainability criteria into sourcing decisions, NIKE provides annual training to those with direct responsibility for supply chain management. The training advances enhanced understanding and compliance with our sustainability policies, standards for ethical recruitment and our Code of Conduct. The training curriculum was updated in FY19 including expanded information on our requirements to prevent risks of forced labor.

NIKE frequently convenes supplier events, or learning communities, designed to share information on NIKE expectations, developments on local policies/legislation, and other sustainability and labor best practices. Considerations related to management of migrant workers is a key area of focus given that many of our suppliers and vendors are in countries where it is common to recruit workers cross-border. For example, in FY20 suppliers in Thailand

organized a learning community event related to foreign migrant workers where they reviewed and updated Thailand suppliers' migrant handbook to incorporate recommended countermeasures from CUMULUS Forced Labor Screens risk assessments.

Building on supplier workshops in Malaysia and Taiwan during FY19, in FY20, NIKE organized a supplier workshop in partnership with the Issara Institute for both Tier 1 and Tier 2 suppliers in Thailand. The agenda was tailored to address key country recruitment risks identified through the CUMULUS Forced Labor Screen due diligence tool. The workshop provided suppliers with practical knowledge of recruitment trends, local laws and transnational processes in Thailand and its main recruitment corridors. The training also highlighted the importance of worker voice in the building of an ethical recruitment program.

In FY20, Nike also worked with Verité to develop a responsible recruitment guide and reimbursement tool, aiming to provide guidance on how to effectively implement an employer pays model. The guide seeks to aid suppliers and other stakeholders in navigating the recruitment process with practical guidance, including legal requirements for transnational recruitment, recruitment processes by country, references on fees encountered during recruitment and potential red flags. These resources were shared with NIKE's Tier 2 suppliers in Malaysia and Taiwan in FY20. We have also shared the tools with other brands to improve usability and share knowledge and resources with others in our sector.

VII. COLLABORATIVE SOLUTIONS

NIKE believes addressing critical human rights risks, such as forced labor, often requires a collective approach. NIKE has long partnered with multi-stakeholder and external organizations such as the Fair Labor Association, the International Labour Organization's Better Work Programme, and the Better Cotton Initiative to address labor risks in our supply chain. Through our partnerships with these and other organizations, we work on a wide range of human rights risks, including those related to forced labor.

NIKE was a founding signatory to the Apparel & Footwear Commitment on Responsible Recruitment. The principles of the Commitment, centered on addressing risks for forced labor, are aligned with NIKE's standards and the work we have been doing with our supply chain manufacturers for more than a decade. We believe this builds on the focus by several other sectors to drive change in the dynamics of how workers are recruited for cross-border employment.

NIKE is also a member of the Leadership Group for Responsible Recruitment (LGRR), an initiative of the Institute for Human Rights and Business. In addition, Nike is a member of the Responsible Labor Initiative (RLI), an initiative of the Responsible Business Alliance to further our work and goals on eliminating forced labor risks in our supply chain. Each organization helps us to advance core aspects of our strategy.

NIKE shares the aims of the LGRR to drive positive change in the international recruitment industry, starting with a focus on prohibiting workers paying fees for their employment. We

believe the adoption of the Employer Pays Principle, which states that no worker should pay for a job and the costs of recruitment should be borne by the employer, is a critical factor in helping eliminate forced labor risks in our supply chain, industry and beyond. We also engage in moving forward the agenda on this important topic through our support of LGRR's advocacy to governments and organizations for the adoption of the Employer Pays Principle.

As part of the RLI, NIKE is able to advance our work with suppliers on the implementation of our standards for ethical recruitment and employment of foreign workers. The RLI is focused on providing support to brands and suppliers to understand, prioritize and address forced labor risks through the development of concrete tools designed to improve recruitment and employment practices. NIKE is also a member of RLI's Steering Committee.

NIKE has continued to actively engage with the Malaysian government through roundtable sessions, national conferences and meetings focused on Malaysia as the receiving country for foreign migrant workers, a population that is especially vulnerable to forced labor risks. Additionally, in FY20, Nike participated in a strategic dialogue convened by LGRR with the government of Thailand on their continued legislative and policy development regarding foreign migrant workers.

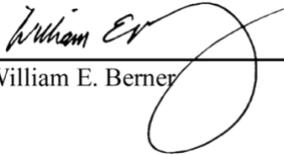
We also have been working with suppliers who employ foreign migrant workers to address particular vulnerabilities for those workers as a result of the COVID-19 pandemic. We have engaged with the International Organization for Migration (IOM) and other organizations through our memberships with the Responsible Labor Initiative and the Leadership Group for Responsible Recruitment and have been working to provide resources and information to our suppliers to support their different national cohorts of foreign migrant workers.

In FY20, Nike, joined the Better Cotton Initiative (BCI) Task Force on Forced Labor, a group of representatives from civil society, brands and consultancies with expertise in human rights and forced labor risks to conduct a holistic review of BCI's approach to assurance on decent work and forced labor conditions. The work resulted in a public report with specific recommendations to enhance BCI's approach to addressing decent work and forced labor risks in the cotton supply chain and will be reviewed and evaluated for implementation into the program.

We will continue to expand and evolve our work with other peers, NGOs, and organizations to increase respect for human rights and to accelerate positive impact in the countries where we and our suppliers operate.

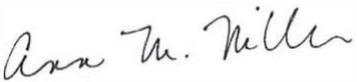
This statement covers the period from June 1, 2019 to May 31, 2020.

The following NIKE, Inc. subsidiaries are required to publish a statement under the UK Modern Slavery Act: NIKE (UK) Limited and NIKE Retail B.V. This statement was approved by the Boards of Directors of those entities on November 20, 2020 and signed by the undersigned, a director of those entities, on November 17, 2020.



William E. Berney

Nike Australia Pty. Ltd. (Nike Australia), a subsidiary of NIKE, Inc., is required to submit a statement pursuant to the Australian Commonwealth Modern Slavery Act. Nike Australia has its headquarters in Melbourne and distributes, sells and markets NIKE athletic footwear and apparel. Nike Australia has approximately 600 employees engaged in administrative functions and retail sales. It does not engage in manufacturing. This statement has been approved by the Directors of NIKE Australia and the undersigned is a responsible member of that entity.



Ann M. Miller