NIKE, INC. SETS BOLD VISION AND TARGETS FOR 2020
Demonstrating Sustainable Innovation is a Powerful Engine for Growth and a Catalyst for Change

MAY 11, 2016 – NIKE, Inc. (NYSE:NKE) today released its FY14/15 Sustainable Business Report, which details strong progress against the company’s environmental and social targets and sets a vision for a low-carbon, closed-loop future as part of the company’s growth strategy.

“At Nike, we believe it is not enough to adapt to what the future may bring – we’re creating the future we want to see through sustainable innovation,” said NIKE, Inc. President and CEO, Mark Parker. “Today our teams are advancing ambitious new business models and partnerships that can scale unprecedented change across our business and the industry.”

The report highlights how Nike has embedded sustainability across its business and signals Nike’s continued commitment to set aggressive sustainability targets and invest in disruptive innovation – all in service of driving company growth, delivering performance innovation for athletes and acting as a catalyst for change in the world.

“We’ve set a moonshot challenge to double our business with half the impact. It’s a bold ambition that’s going to take much more than incremental efficiency – it’s going to take innovation on a scale we’ve never seen before. It’s a challenge we are setting for ourselves, our collaborators and our partners as we move toward a circular economy future,” said Hannah Jones, NIKE, Inc. Chief Sustainability Officer and VP, Innovation Accelerator.

The company shared strong progress toward reported FY15 goals, including:

- Reduced carbon emissions during a period of continued growth: Shipped more than 1 billion units in FY15 and revenue increased 52% from FY11 through FY15, while carbon emissions decreased by 18% per unit.

- Delivered substantial water reductions: Increased water efficiency by 18% per unit in apparel materials dyeing and finishing and 43% per unit in footwear manufacturing, exceeding the goal of 15%.

- Worked with fewer, better contract factories: 86% of contract factories demonstrated an investment in workers by achieving a minimum bronze rating on the Nike Sustainable Manufacturing & Sourcing Index, making progress toward 100% by FY20.

- Improved product sustainability: Designed products that provide superior performance with a lower environmental impact – 98% of new footwear scored silver or better on our product sustainability indices, 80% of new apparel scored bronze or better and the use of environmentally preferred materials increased overall.

- Drove down waste: In FY15, contract footwear factories diverted 92% of footwear factory waste from landfill or incineration without energy recovery.
As the next step on that journey Nike has set three strategic aims: minimize its environmental footprint, transform its manufacturing and unleash human potential.

**Minimize Environmental Footprint**
Nike aims to minimize its environmental footprint throughout the product lifecycle, looking at carbon and energy, chemistry, water and waste to identify strategies to use less, use better, innovate new solutions and, where possible, close the loop and reuse. For example, about 60% of the environmental impact in a pair of Nike shoes is embedded in the materials used. Knowing materials matter most, Nike is investing in creating a new palette of sustainable materials in a move toward closed-loop products, and has already incorporated recycled materials into 71% of its footwear and apparel products, in everything from apparel trims to soccer kits to Flyknit yarns.

**Transform Manufacturing**
Nike’s Manufacturing Revolution initiative is not only transforming what products Nike makes, but also how it makes them through technology, labor and sustainable innovation. In order to deliver new product innovation to consumers Nike is focused on creating technology-driven manufacturing, through more sustainable factories that place highly skilled, engaged and valued workers at the center. Nike is working with fewer, better contract factories that are committed to taking this journey.

Nike is also running pilot research programs dedicated to engaging and connecting workers to healthcare, education and finance networks to make positive changes inside and outside the workplace.

**Unleash Human Potential**
In addition to the commitments to workers through Manufacturing Revolution, Nike is also looking to unleash the potential of its own teams. Guided by the belief that diversity fosters creativity and accelerates innovation, Nike is strengthening its recruitment, promotion and retention of diverse talent throughout the world with the goal of reflecting the diversity of the consumers it serves and the communities where its employees live and work. Nike will accelerate its efforts by expanding representation of women and people of color to start, while continuing to increase diversity of all dimensions across its business long term.

The company is also introducing a new Family Care benefit in the U.S. that will support all new parents as well as employees caring for sick family members. Now mothers and fathers will receive an additional eight weeks paid time off and employees who need to care for family members also receive eight weeks paid time off.

On the field of play, Nike is serving the next generation of athletes by raising awareness of the physical inactivity epidemic and working with others to get kids moving. For example, Nike’s engagement with Let’s Move Active Schools in the U.S. has reached more than 10 million kids since 2013.

**FY20 Targets**
To achieve these three aims, Nike set new targets for FY20 spanning environmental impact areas and its entire supply chain, including:

- To have zero waste from contracted footwear manufacturing sent to landfill or incineration without energy recovery.
- To source 100% of products from contract factories meeting the company’s definition of sustainable.
• To create products that deliver maximum performance with minimum impact, seeking a 10% reduction in the average environmental footprint and an increased use of more sustainable materials overall.

• By the end of FY25, to reach 100% renewable energy in owned or operated facilities and to encourage broader adoption of renewable energy as part of an effort to control absolute emissions.

Nike believes these efforts – from materials innovation, to transforming its manufacturing models, to visionary 2020 targets – will deliver on Nike’s long-term strategy to leverage sustainable innovation as a powerful engine for growth and catalyst for change.

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**About Nike, Inc.**

NIKE, Inc., based near Beaverton, Oregon, is the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities. Wholly owned NIKE, Inc. subsidiary brands include Converse, which designs, distributes and licenses casual sneakers, apparel and accessories; and Hurley, which designs and distributes a line of action sports and youth lifestyle apparel and accessories. For more information visit [http://news.nike.com/](http://news.nike.com/) and follow @Nike.