

NIKE SUPPLY CHAIN DISCLOSURE

At Nike, we believe we have a responsibility to conduct our business in an ethical way. We expect the same from our business partners, and focus on working with long-term, strategic suppliers that demonstrate a commitment to engaging their workers, safe working conditions and environmental responsibility.

Nike takes seriously the federal and international efforts to end all kinds of forced labor - whether in the form of prison labor, indentured labor, bonded labor, human trafficking or otherwise. We have progressively raised expectations of our factory partners through evolving standards of our Code of Conduct – a straightforward statement of values, intentions and expectations meant to guide decisions in factories. Our Code of Conduct, which you can view on <http://about.nike.com/pages/manufacturing>, includes strict guidance around child labor, excessive overtime, compensation, forced labor, and freedom of association.

For more information on Nike's supply chain, please visit our Sustainable Business Performance Summary (www.nikeresponsibility.com) that details some of the drivers we have in place to transform our working relationships with contracted factories to incentivize changes that benefit their workers.

Nike is required by the The California Transparency in Supply Chains Act to disclose efforts to eradicate slavery and human trafficking from direct supply chains.

SUPPLY CHAIN VERIFICATION

For years, Nike has been sourcing from factories that seek to meet the company's minimum standards for good labor performance. Nike's policy is to evaluate potential contracted factories before they enter the supply chain, and throughout their business relationship with Nike, to assess compliance with high standards of social and environmental performance, including country-related risk for issues including forced labor, human trafficking and slavery. Nike uses both internal and external third-party audits. For more information on audits, including frequency, visit Nike's [CR Report](#).

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 with the principles and guidelines outlined in Nike's Code of Conduct. Nike is also working towards mapping and understanding impacts further up the supply chain, to develop standards for upstream suppliers of contracted manufacturers. Nike's Supply Agreements also explicitly require Suppliers to comply with all local and country-specific labor laws.

STANDARDS FOR COMPLIANCE

Nike uses third-party auditors to verify contracted factories are compliance with laws. If a contracted factory is found to violate laws or Nike standards, it is responsible for improving performance against a master action plan. If the factory fails to make progress against that plan, they are subject to review and sanctions, including potential termination.

TRAINING

Nike believes contract factories that successfully address the well-being of their workers, by engaging with them directly to understand their needs, will improve factory performance. To help employees and management who have direct responsibility for supply chain management, Nike provides training to enhance managerial capability and to educate on the importance and value of workers.