

# Sustainability Accounting Standards Board

Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference
<i>SASB Standard - Apparel, Accessories and Footwear</i>						
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	CG-AA-250a.1		FY20 Report: Chemistry (Measure: 100% Compliance with NIKE RSL), page 58 FY20 Report: 2025 Chemistry Target, pages 98-99 <a href="#">Approach to Chemistry Chemistry Playbook</a>
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-AA-250a.2		FY20 Report: Chemistry (Target: Enable Zero Discharge of Hazardous Chemicals), page 58 <a href="#">Approach to Chemistry</a>
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA-430a.1	In FY20, <b>98%</b> of focus suppliers met legal compliance and approximately <b>69%</b> reported compliance to the ZDHC wastewater requirements.	FY20 Report: Chemistry (Measure: 100% of focus suppliers meeting NIKE's wastewater quality requirements for textile dyeing and finishing processes), page 59 <a href="#">Approach to Chemistry Chemistry Playbook</a>
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430-a.2	<b>100%</b> of Tier 1 suppliers are audited to our Code of Conduct, which includes environmental compliance. Our focus finished goods suppliers also report on a monthly basis their performance against NIKE Sustainability targets.  Suppliers beyond Tier 1, producing approximately <b>80%</b> of our footwear upper and apparel textile materials, have completed the 2019 Higg FEM assessment. Our focus material suppliers also report on a monthly basis their performance against NIKE Sustainability targets.  We disclose a number of strategic materials suppliers (Tier 2) in our <a href="#">Manufacturing Map</a> along with finished goods factories.	FY20 Report: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable), pages 28-29 <a href="#">NIKE's Sourcing and Manufacturing Standards Chemistry Playbook</a>



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Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	<p>100% of Tier 1 suppliers audited to NIKE Code of Conduct.</p> <p>8.6% of factories were independently audited by third-party auditors (FLA and Better Work).</p> <p>We disclose a number of strategic material suppliers (Tier 2) in our <a href="#">Manufacturing Map</a> along with finished goods factories.</p>	<p>FY20 Report: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable), pages 28-29</p> <p><a href="#">NIKE's Sourcing and Manufacturing Standards</a></p>
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	<p>In FY20, 6% of factories were rated below Bronze (baseline compliance with NIKE Code of Conduct).</p> <p>When facilities receive a below-compliance rating, they are expected to remediate the issue with onsite verification of the remediation within six months. In all instances, full re-audits are conducted to verify corrective actions have been completed.</p>	<p>FY20 Report: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable), pages 28-29</p> <p><a href="#">NIKE's Sourcing and Manufacturing Standards</a></p>
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	CG-AA-430b.3		<p>FY20 Report: 2020 Targets, pages 11-15</p> <p>FY20 Report: 2025 Targets, pages 67-69</p> <p>FY20 Report: Issue Prioritization, pages 101-102</p>
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	n/a	CG-AA-440a.1		<p>FY20 Report: Materials (Target: Increase use of more sustainable materials in footwear and apparel), page 40</p> <p>FY20 Report: Product (Target: Deliver products for maximum performance with minimum impact, with a 10% reduction in the average environmental footprint), page 37</p> <p>FY20 Report: 2025 Carbon Target, page 90</p> <p>FY20 Report: 2025 Waste Target, page 93</p> <p><a href="#">Sustainable Materials</a></p>
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2	<p>Materials (FY20)</p> <p>Rubber: <b>94%</b> environmentally preferred</p> <p>Cotton: <b>9%</b> certified organic</p> <p><b>90%</b> Better Cotton Initiative &lt;1% recycled</p> <p>Polyester: <b>26%</b> recycled</p> <p>Corrugate/Paper: <b>84%</b> recycled</p> <p>EVA Foam: <b>1%</b> recycled</p>	<p>FY20 Report: Materials (Target: Increase use of more sustainable materials in footwear and apparel), page 40</p> <p>FY20 Report: Product (Target: Deliver products for maximum performance with minimum impact, with a 10% reduction in the average environmental footprint), page 37</p> <p><a href="#">Sustainable Materials</a></p> <p><a href="#">Sustainable Materials Principles</a></p>
	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	<ul style="list-style-type: none"> <li>• 518 finished good factories</li> <li>• 58 materials facilities</li> </ul>	<a href="#">Manufacturing Map</a>

To learn more, please see our FY20 NIKE Impact Report at <https://purpose.nike.com/fy20-nike-impact-report>

