

Company Name Nike
Industry Apparel (Supply Chain only)
Overall Score (*) 44.7 out of 100

Theme Score	Out of	For Theme
2.7	10	A. Governance and Policies
11.6	25	B. Embedding Respect and Human Rights Due Diligence
2.9	15	C. Remedies and Grievance Mechanisms
12.8	20	D. Performance: Company Human Rights Practices
10.0	20	E. Performance: Responses to Serious Allegations
4.8	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: General HRs commitment: The Company has a section on its website devote to human rights where it explains its commitment to human rights and labour compliance standards: '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 and our suppliers' operations'. [Human rights, 01/2019: purpose.nike.com] Met: UDHR: See above [Human rights, 01/2019: purpose.nike.com] Score 2 <ul style="list-style-type: none"> Not met: UNGPs Not met: OECD
A.1.2	Commitment to respect the human rights of workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: UNGC principles 3-6: The Company is a signatory to the UN Global Compact [Third party website - UN Global Compact participant, 19.08.19: unglobalcompact.org] Met: Explicitly list ALL four ILO for AP suppliers: Nike's code of conduct includes its requirements for suppliers and explicitly contains respect rights related to forced labour, child labour, non- discrimination, freedom of association and collective bargaining. With respect the last two, the Code says: 'Supplier shall recognize and respect the right of employees to freedom of association and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>collective bargaining. Where the right to freedom of association and collective bargaining is restricted under law, the supplier allows the development of parallel means for independent and free association and bargaining.' [Code of conduct, 09/2017: s3.amazonaws.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core: The Code of ethics contains a formal commitment regarding non-discrimination. [Code of ethics (inside the lines), 2011: s3.amazonaws.com] • Met: Respect H&S of workers: The Code of ethics contains a formal commitment regarding health and safety [Nike code of conduct (inside the lines), 05/2019: purpose-cms-production01.s3.amazonaws.com/uploads/2019/05/22191640/Nike-Inside-the-Lines-Code-of-Conduct_May_2019.pdf] • Met: H&S applies to AP suppliers: Nike's code of conduct includes its requirements for suppliers and explicitly contains health and safety of workers [Code of conduct, 09/2017: s3.amazonaws.com] • Not met: working hours for workers • Met: Working hours for AP suppliers: The code for suppliers states that 'Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Suppliers shall allow workers at least 24 consecutive hours of rest in every seven-day period [...] Other than in extraordinary circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours. [Code of conduct, 09/2017: s3.amazonaws.com]
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Women's Rights • Not met: Children's Rights • Not met: Migrant worker's rights • Not met: Expecting suppliers to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Not met: Child Rights Convention/Business principles • Not met: Convention on migrant workers • Met: Respecting the right to water: The Company is signatory to the CEO Water Mandate since 2010. [CEO water mandate website: ceowatermandate.org] • Not met: Expecting suppliers to respect these rights: Although the Code of conduct contains a statement on minimizing freshwater withdrawals in the supply chain, no commitment found in the context of access to water or the right to water. [Code of conduct, 09/2017: s3.amazonaws.com]
A.1.4	Commitment to engage with stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to stakeholder engagement: The Code of conduct (and similar commitment on website) states that 'we will partner with our suppliers as we continue to expand engagement with civil society, unions, governments, and with others in our industry and beyond to affect systemic change to labour, health and safety, and environmental condition in countries where we operate'. However, no evidence has been found in public sources of a commitment to engage potentially and actually affected stakeholders including in local communities and its operations. [Code of conduct, 09/2017: s3.amazonaws.com & Industry partnerships on website, 07/2018: sustainability.nike.com] • Not met: Regular stakeholder engagement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design: Although the Company has partnerships with different organisations, no evidence found of a formal commitment in relation to affected stakeholders and their legitimate representatives being involved in the development or monitoring of the Human rights approach. • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to remedy: Although the Company discloses information on how suppliers are required to remedy when non-compliances, and help in remediation efforts, no evidence found of the Company disclosing a statement of commitment to remedy the adverse impacts that it has caused or contributed to. [Code Leadership standards, 2017: s3.amazonaws.com & Human rights, 01/2019: purpose.nike.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AP suppliers to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 <ul style="list-style-type: none"> • Not met: Expects AP suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: CEO or Board approves policy: The Company's code of ethics is signed by the Chief Ethics & Compliance officer. It does contain the Company's commitment on non-discrimination and safety. Although the impact report is signed by the CEO and contains human rights, no evidence found of formal human rights policy statement being approved or signed by the Board or the CEO by name. [Nike code of conduct (inside the lines), 05/2019: purpose-cms-production01.s3.amazonaws.com/uploads/2019/05/22191640/Nike-Inside-the-Lines-Code-of-Conduct_May_2019.pdf] Score 2 <ul style="list-style-type: none"> • Met: Board level responsibility for HRs: The Corporate Responsibility & Sustainability Committee has, among its responsibilities, the following: 'Review and provide guidance to management on sustainability issues and impacts, and the integration of sustainability into NIKE's business, including innovation, product design, manufacturing and sourcing, and operations; Review, provide guidance to management, and report to the Board on sustainability (including labour practices) within NIKE's supply chain, and review reports of NIKE's sustainability audits' which includes human rights through the supplier's code. [Corporate responsibility & sustainability Committe on website: investors.nike.com & Statement on forced labor, human trafficking and modern slavery, 11/2018: nike.com]
A.2.2	Board discussions	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Board/Committee review of salient HRs: The Corporate Responsibility, Sustainability & Governance committee charter indicates that the purpose of the Committee include review the Company's 'significant strategies, activities and policies regarding sustainability (including labor practices), and community impact and charitable activities, and make recommendations to the board'. The Committee will 'review code of business conduct and ethics' [which contains human rights commitments towards the Supply chain, and some ILO core regarding own operations], and will 'review, provide guidance to management, and report to the Board on sustainability (including labor practices) within NIKE's supply chain and review reports of NIKE's Sustainability audits'. [Committee charters on website, 07/2018: investors.nike.com] Score 2 <ul style="list-style-type: none"> • Not met: Examples or trends re HR discussion
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Incentives for at least one board member • Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See A.1.2, the Company is signatory to the UN Global Compact. • Met: Senior responsibility for HR: The Company indicates that the 'Purpose Committee provides direction and oversight for the end-to-end integration of NIKE's work in diversity and inclusion, community, labor and environmental impact. The Purpose Committee meets regularly to review these targets, performance, and disclosures. It covers labour and diversity & inclusion issues. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: As indicated above, the purpose Committee is set at executive level. Below this, it is located the 'Purpose leadership team' (cross-functional leadership and end-to-end integration) and the Purpose subcommittee (cross-functional working group). Below is the execution at functional level (diversity and inclusion, community, supply chain labor, health and safety, and environment'. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: Day-to-day responsibility for AP in supply chain: The Company indicates on its website that its core Sustainable Business & Innovation team SB&I team 'links sustainability and leadership across our value chain including innovation and product creation, sourcing and manufacturing, facilities, logistics and retail. We have also connected teams across Nike with a common sustainability vision. Specifically, we have sustainability-focused teams within Product Creation, Nike Direct, Global Sourcing & Manufacturing, Supply Chain and Brand. These teams report to the leaders of those areas and coordinate directly with SB&I through our Business Integration team'. [Sustainability governance on website, 07/2018: sustainability.nike.com]
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key AP HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR risks is integrated as part of enterprise risk system: One of the risks identified in the 10K form is 'failure of our contractors or our licensees' contractors to comply with our code of conduct, local laws and other standards could harm our business'. However, no further details found in the context of how human rights risks are integrated as part of the broader enterprise risk management systems. On its website, human rights section, it also refers to some risks that may face as part of its supply chain activities, although no evidence found on whether these risks are integrated as part of the ERM, [10K form, 2017: s1.q4cdn.com & Human rights, 01/2019: purpose.nike.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions • Not met: Communicates its policy to all workers in own operations <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to all 4 ILO core conventions for suppliers • Met: Communicating policy down the whole AP supply chain: The Code of conduct indicates that 'the supplier shall post this code, in the language(s) of its employees in all major workspaces, train employees on their rights and obligations as defined by this code and applicable country law, and ensure the compliance of

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>any sub-suppliers producing Nike branded or affiliate products'. [Code of conduct, 09/2017: s3.amazonaws.com]</p> <ul style="list-style-type: none"> • Met: Requiring AP suppliers to communicate policy down the chain: See above [Code of conduct, 09/2017: s3.amazonaws.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: The code of conduct indicates that 'as a condition of doing business with Nike, the supplier shall implement and integrate this Code and accompanying Code Leadership Standards and applicable laws into its business, including development of effective management systems, and submit to verification and monitoring'. Suppliers shall ensure the compliance of any sub-suppliers producing Nike branded or affiliate products. [Code of conduct, 09/2017: s3.amazonaws.com] • Met: Including on AP suppliers: See above [Code of conduct, 09/2017: s3.amazonaws.com]
B.1.5	Training on Human Rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2 • Not met: Trains all workers on HR policy commitments • Met: Trains relevant AP managers including procurement: The Company indicates that 'to fully integrate our sustainability criteria into sourcing decisions and to help employees and management who have direct responsibility for supply chain management, NIKE provides training to enhance understanding and compliance with our sustainability policies and requirements including or Code of Conduct. That training is required annually for individuals who manage production relationships with suppliers'. [Statement on forced labor, human trafficking and modern slavery, 11/2018: nike.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Scores at least 1 on A.1.2 • Not met: Monitoring implementation of HR policy commitments: As indicated below, the Company monitors compliance with human/labour rights in its supply chain. However, no evidence found of ILO core areas monitoring within the Company. • Met: Monitoring AP suppliers: The Company indicates that 'we regularly review supplier factories to assess their ability to meet our high standards. These assessments take the form of audit visits - both announced and unannounced - by internal and external parties who measure against our Code Leadership Standards and the Code of Conduct. NIKE also works with third-party organizations to independently audit facilities'. [Nike code of conduct (inside the lines), 05/2019: purpose-cms-production01.s3.amazonaws.com/uploads/2019/05/22191640/Nike-Inside-the-Lines-Code-of-Conduct_May_2019.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Describes corrective action process: When facilities receive low compliance rating, 'they are excepted to remediate the issue with onsite verification of the remediation within six months [...] If a facility does not sufficiently address an issue, it is place on probation. Further failure to meet compliance will lead to NIKE potentially considering a responsible exit, which includes providing early notice and clear ramp-down schedule. If critical issues are found, immediate remediation is required'. The Company discloses the percentage of incidents by category, no evidence found of the number of incidences (or number of times that the corrective action process was needed). [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: Example of corrective action: In 2018 there were some cases of workers paying fees related to their recruitment and one facility had penalties for early contract termination. 'In each case we worked with the supplier to remediate the identified issues and to strengthen their systems to prevent future reoccurrence. For the situations where it was found workers had paid fees for their employment we required suppliers to repay workers for such fees. In all instances full re-audits are conducted to verify corrective actions have been completed'. [Statement on forced labor, human trafficking and modern slavery, 11/2018: nike.com] • Not met: Discloses % of AP supply chain monitored: The Company discloses the total amount of audits carried out by its own teams, by the FLA and by Better

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Work. It also indicates that 100% of tier 1 suppliers were audited in 2016 and 2017. It is not clear, however, the total percentage of the supply chain that tier 1 suppliers represent. No further evidence found in 2018 report on the total percentage of the supply chain monitored. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]
B.1.7	Engaging business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HR affects AP selection of suppliers: The Company states in the sustainable business report 16/17 that 'as a baseline for working with us, factories must comply with our Code of Conduct and Code Leadership Standards'. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com] • Met: HR affects on-going AP supplier relationships: The Company indicates that 'if a facility does not sufficiently address an issue, it is placed on probation. Further failure to meet compliance will lead to NIKE potentially considering a responsible exit, which includes providing early notice and a clear ramp-down schedule. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirement under score 1 met: See above • Met: Working with AP suppliers to improve performance: The Company states on its website that has 'been working with our suppliers to implement lean manufacturing methodologies for over 15 years. Our goal is to help suppliers understand and apply this new way of managing their business. One of our priorities has been the role lean manufacturing can play in creating a workplace culture that prioritized workers' health and safety, and human resources management systems focused on continuous improvement, building workers' skills and empowering them to identify opportunities to improve overall production'. In particular in relation to health and safety, 'NIKE has developed a safety maturity model [...] to allow our contract manufacturing partners to self-evaluate their capabilities to implement a world-class safety management system'. 'To support this capability and accelerate safety in culture in our factory manufacturers, NIKE has developed an online training on how to use our self-assessment tools'. The self-assessment can be supported by third party consultants or NIKE staff, and the results are calibrated with a worker/management safety perception survey'. The Company discloses additional information on how it works with third parties to improve health and safety in its supply chain. [Building supplier capabilities, 05/2018: purpose.nike.com & Health and safety on website, N/A: purpose.nike.com]
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Stakeholder process or systems: The Company has engaged with stakeholders, including through surveys to determine the most relevant issues at each stage of the value chain. However, no details found on how it identified and engaged with affected stakeholders in last two years, including frequency and triggers for engagement on human rights issues. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf & Stakeholder engagement on website, N/A: purpose.nike.com] • Not met: Frequency and triggers for engagement • Not met: Workers in AP SC engaged • Not met: Communities in the AP SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifying risks in own operations: The Company indicated in the FY16/17 report that in FY14/15 it conducted an in-depth quantitative analysis to review and prioritize our key sustainability issues. First, we reviewed multiple ESG standards, frameworks and rating systems. Next, we added current megatrends, stakeholder feedback, and the priorities of our key coalitions and partnerships to develop a complete universe of issues that would be relevant to NIKE's business model. This netted us upwards approximately 400 potential topics. Then we filtered for relevance by looking at location, risk, and other measures to determine 12 priority issues and mapped these against each stage of our value chain'. Although this action was carried out more than three years ago, the Company still uses this base to update annually its priority issues, as indicated in FY18 report: 'we continuously learn, grow and refresh our perspective by considering the global perspective of our internal and external stakeholders in our analysis of priority sustainability issues. Similar to last year, we surveyed a range of stakeholders, including employees, NGOs, academics, suppliers, and corporate peers, to determine the most relevant issues at each stage of our value chain and the impacts most directly linked to those issues'. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: Identifying risks in AP suppliers: See above <p>Score 2</p> <ul style="list-style-type: none"> • Met: Ongoing global risk identification: As indicated above, the Company carried out an analysis to review and prioritize key sustainability issues in FY14/15. However, every year it updates the key priority issues list through surveys to stakeholders. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: In consultation with stakeholders: As indicated above, the Company surveyed a wide range of stakeholders, including employees, NGOs academics, suppliers, and corporate peers to determine the most relevant issues at each stage of our value chain and the impacts most directly linked to those issues'. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Not met: In consultation with HR experts • Not met: Triggered by new circumstances
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): The company discloses its human rights issues. However, it does not disclose the specific process to assess the risks, including how geographical, economic, social and other factors are taken into account. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: Public disclosure of salient risks: In the FY 17/17 report the: priority issues related to human rights, which include child labour, excessive overtime and freedom of association (including collective bargaining). In FY18 report, it states that 'for the past years, Employment, excessive overtime, and freedom of association have received low relevance scores from our stakeholders, so they are not listed as top priority issues in FY18. Diversity and equal opportunity and climate change risks were identified as key issue. It adds: 'However, NIKE recognizes that excellent management in these areas [employment, excessive overtime and freedom of association] is important'. The Company also lists issues and parts of value chain, and level of priority (child labour appears as high priority in raw materials and manufacturing, health and safety in materials manufacturing and finished products manufacturing. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks: Although the Company discloses actions plans to some issues. No evidence found of a system to generally mitigate salient human rights issues. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Not met: Including in AP supply chain • Met: Example of Actions decided: The Company indicates that 'NIKE is continuing its work to incentivize contract manufacturers to eliminate EOT [excessive over time] under the 100% bronze audit program'. A low rate of repeat findings continues to make it challenging to predict and anticipate where EOT will occur. 'While the Code of conduct focuses on what suppliers do, we recognize that there is more work that NIKE can do to accelerate compliance and progress in our suppliers' factories. We are actively working to support improvements in the enforcement of local laws through our support of Better Work and training factory management through Lean 2.0. NIKE is also continuing to evolve demand and production planning with our suppliers to smooth volume fluctuations and enhance predictability. However, some of these factories are multi-brand facilities and require collaborative approach. Our long-term vision is to facilitate greater industry engagement and alignment that shifts the approach suppliers take to forecasting'. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Met: Lessons learnt from checking effectiveness: Following monitoring the Company indicates that it 'has shown that the facilities where EOT [Excessive overtime] is most likely to occur tend to be factories that are multi-brand, where Nike represents a small percent of their overall production'. 'The biggest problems are underdeveloped management systems and a failure to enforce local laws on working hours'. It finally indicates that 'a low rate of repeat findings is what makes it so challenging to predict and anticipate where EOT will occur'. For example 'of all the factories with an EOT finding in FY18, none were repeat offenders from FY17. In fact, 45% of factories with EOT incidents during FY18 either resolved the issues and wen on to return to bronze rating by the end of the year or were no longer NIKE factories'. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Comms plan re identifying risks: As explained in indicator b.2.1, the Company explains in its sustainable business report the process it has followed to identify the different issues it faces and determine which are the priority issues specific to its activities. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf & Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com] • Not met: Comms plan re assessing risks: See B.2.2 [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Not met: Comms plan re action plans for risks: However, the Company provides some examples of actions that is carrying out in relation to key issues. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Not met: Comms plan re reviewing action plans: See B.2.4 [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: Including AP suppliers: All the information publicly available (communicated) in relation to how human rights impacts are addressed refer to the Supply chain. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Code of conduct indicates the following: 'Please speak up if you see or experience something, anything, that does not align with our values'. It then provides different channels, including the 'speak up portal', contacting Human Resources or Ethics & Compliance director within employee's geography, contact Ethics & Compliance office, or contacting the employee's manager. [Nike code of conduct (inside the lines), 05/2019: purpose-cms-production01.s3.amazonaws.com/uploads/2019/05/22191640/Nike-Inside-the-Lines-Code-of-Conduct_May_2019.pdf] Score 2 <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages • Not met: Expect AP supplier to have equivalent grievance systems: Regarding suppliers, the Code Leadership Standards includes the requirements regarding grievance mechanisms that suppliers must implement and make available to their workers. No evidence found, however, of expectation of suppliers to convey the same expectation to their suppliers. [Code Leadership standards, 2017: s3.amazonaws.com] • Not met: Opens own system to AP supplier workers
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Grievance mechanism for community Score 2 <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AP supplier to have community grievance systems • Not met: AP supplier communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Engages users to create or assess system • Not met: Description of how they do this Score 2 <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AP suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Response timescales • Met: How complainants will be informed: The Company indicates that procedures for informing the complainant who files the complaint through the speak up portal: 'at the end of the call, you will receive a report ID number that you can use to check on the status of your matter or provide additional relevant information'. In addition, it is indicated that 'often, we are unable to share details about the resolution with you to respect and preserve confidentiality for all people involved'. [Nike code of conduct (inside the lines), 05/2019: purpose-cms-production01.s3.amazonaws.com/uploads/2019/05/22191640/Nike-Inside-the-Lines-Code-of-Conduct_May_2019.pdf] Score 2 <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation: The Company's code states that 'we don't tolerate retaliation. We will take all appropriate actions to prevent adverse consequences for raising a concern about potential misconduct or in cooperating with an investigation'. However, it is not clear if this commitment is extensive to other stakeholders. [Nike code of conduct (inside the lines), 05/2019: purpose-cms-production01.s3.amazonaws.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>uploads/2019/05/22191640/Nike-Inside-the-Lines-Code-of-Conduct_May_2019.pdf]</p> <ul style="list-style-type: none"> • Not met: Practical measures to prevent retaliation: The Company indicates that 'you may report your concern anonymously, where permitted by law'. In addition, it states that 'we will take all appropriate actions to prevent adverse consequences for raising a concern about potential misconduct or in cooperating with an investigation. Anyone who retaliates against an employee for these activities will be subject to disciplinary action, up to and including termination'. However, in order to award disciplinary offence as practical measure, evidence is needed of managers being trained in this policy. Although anonymous reporting is a practical measure to prevent retaliation, it is not clear what alternative measure is in place in locations where it is not permitted by law. [Nike code of conduct (inside the lines), 05/2019: purpose-cms-production01.s3.amazonaws.com/uploads/2019/05/22191640/Nike-Inside-the-Lines-Code-of-Conduct_May_2019.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AP suppliers to prohibit retaliation: The Code Leadership standards for suppliers contain requirements regarding grievance mechanisms for suppliers' workers including provisions against retaliation. However, no evidence found of requirements of channels being available to external stakeholders and their representatives and the provisions against retaliation being extensive to them. [Code Leadership standards, 2017: s3.amazonaws.com]
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes how remedy has been provided: The Company states that (as a result of audit), 'we found a few isolated instances of foreign migrant worker employment practices that were in violation of NIKE's code of conduct and Leadership standards. The issues involved worker paying fees related to their recruitment and employment and one instance where the facility had penalties for early contract termination [...] For the situations where it was found workers had paid fees for their employment, we required suppliers to repay workers for such fees'. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts: Regarding wages, the Code Leadership Standards states that 'Supplier acknowledges that every employee has a right to compensation for a regular work week that is sufficient to meet employees' basic needs and provide some discretionary income'. Employees are paid 'at least the minimum wage required by country law, or prevailing wage, whichever is higher'. However, no evidence found of the Company including living wage guidelines in contractual agreements. [Code Leadership standards, 2017: s3.amazonaws.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Improving living wage practices of suppliers: The Company indicates that it has been working for three years with University of California to find methods of increasing value created in factories and sharing it with workers: 'The resulting Compensation and Benefits research pilot focused on changing compensation structures and tracking increases in both factory productivity levels and take-home pay. The research pilot implemented an alternative approach to compensation, including improved transparency for employees around how pay is calculated and incentive systems that are better aligned to productivity goals. The results were encouraging. The factory we worked with has independently chosen to further scale versions of the approach to all lines within the pilot factory as well as to other factories in their network'. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] Score 2 • Not met: Both requirements under score 1 met • Met: Provide analysis of trends demonstrating progress: The Company discloses a chart showing percentages of non-compliance in factory audits for the last three years. Wages and benefits were in non-compliance in 35% of cases in FY16, 35% in FY17 and 34% in FY18 [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]
D.2.2	Aligning purchasing decisions with human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs: Although in the context of excessive working hours it indicates that is evolving demand and production planning with suppliers to smooth volume fluctuations, is not clear if the Company has a regular business practices including these or other business considerations undermining human rights. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: Positive incentives to respect human rights: The Company has the objective of sourcing 100% of products from contract factories rated 'bronze or better'. FY15 was baseline and the percentage of bronze or better factories was 86%. Percentage has increased from year to year, reaching 93% in FY18. 'Ratings of yellow or red indicate performance below NIKE's minimum compliance expectations; Bronze reflects baseline compliance; silver signals enhancing capabilities to leverage sustainability as a business driver within our industry; and Gold indicates world-class in sustainability and industry'. It indicates that 'The higher percentage of Bronze is due both to improvements in factory compliance levels and a reduction of factories failing to achieve baseline compliance in our source base'. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] Score 2 • Not met: Both requirements under score 1 met
D.2.3	Mapping and disclosing the supply chain	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifies suppliers back to product source: The Company indicates that 'this site is a tool to lean about the independent factories and material suppliers used to manufacture NIKE products – including the name and location of each factory and the types of products they produce'. [Nike manufacturing map: manufacturingmap.nikeinc.com] Score 2 • Met: Discloses significant parts of supply chain and why: The Company has a website where it discloses an interactive map including all its contract factory suppliers. Map includes names, addresses, employees and percentage of migrant and female workers. [Nike manufacturing map: manufacturingmap.nikeinc.com]
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Child Labour rules in codes or contracts: The Code Leadership Standard includes standards and requirements for suppliers in relation to child labour, including minimum age requirement, proof of age, remedying underage employment, and protecting young workers from hazardous conditions. [Code Leadership standards, 2017: s3.amazonaws.com] • Not met: How working with suppliers on child labour Score 2 • Not met: Both requirements under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Provide analysis of trends demonstrating progress: The Company discloses a chart which number of child labour findings and 'other age standard findings'. No cases of child labour found in last three reporting years, and one case in 2017 related with 'other age standards findings' [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Debt and fees rules in codes or contracts: The Code Leadership Standards contains guidelines regarding this issue: 'Neither the supplier, nor labour agents, may charge workers, or deduct from wages (by way of garnishments, levies, deposits, guarantee monies or otherwise) costs or fees associated with employment eligibility, including required visas, health checks, employment registration, work permit or recruitment agency/placement firm fees'. [Code Leadership standards, 2017: s3.amazonaws.com] • Not met: How working with suppliers on debt & fees: The Company indicates that is member of the 'Responsible Business Alliance's Responsible Labor Initiative (RLI). 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'. However, no details found on the specific work carried out with suppliers to improve prevent imposition of financial burdens on workers'. The Company indicates that where cases related to fees were found it worked with the supplier to remediate and 'strengthen their Human Resource Systems and processes to prevent future reoccurrence'. However, no details found on specific work carried out to improve supplier practices. [Human rights, 01/2019: purpose.nike.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made: Although the Company discloses a chart with percentage of non-compliances related to forced labour, no specific evidence found in relation to types assessed in this indicator. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Free movement rules in codes or contracts: The Code Leadership standards includes requirements regarding freedom of movement within working areas during work hours and leaving facilities, and access to drinking water and toilet facilities. Regarding the retention of documents, it states: 'Employees shall not be required to turn over their original identity papers (such as passports, travel or residency permits, national IDs or school certificates) to their employer, labour agent or another party as a condition of employment, nor shall they be required to make 'deposits' to gain access to their documents'. In addition to these requirements, the Company also has other provisions for foreign workers (fair treatment, training in the language of the employee, etc.). [Code Leadership standards, 2017: s3.amazonaws.com] • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made: Although the Company discloses a chart with percentage of non-compliances related to forced labour, no specific evidence found in relation to types assessed in this indicator. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: FoA & CB rules in codes or contracts: The Code Leadership Standards explicitly includes freedom of association and collective bargaining guidelines. It also states that 'The supplier must not threaten or use violence or the presence of policy or military to intimidate employees or to prevent, disrupt or break up any activities that constitute a lawful and peaceful exercise of the right of freedom of association, including union meetings, organizing activities, assembles and lawful strikes'. In addition, 'no employee or prospective employee shall be subject to dismissal, discrimination, harassment, intimidation or retaliation for reason of membership in a union or worker association...'. [Code Leadership standards, 2017: s3.amazonaws.com] • Not met: How working with suppliers on FoA and CB: Although it indicates that it signed the Freedom of Association protocol in Indonesia with other stakeholders to implement a framework for suppliers to support union activities, this refers to 2011. In addition, it states that it 2017 it joined the FLA with other stakeholders in advocating for legislative reforms in Mexico. No additional information found. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com & Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Met: Provide analysis of trends in progress made: The Company discloses a chart showing percentage of non-compliances in audits in relation to freedom of association and collective bargaining. There were none in FY16 and FY17, and one in FY18. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Sets out clear Health and Safety requirements: The Code Leadership Standards contains a comprehensive section health and safety, including injury/illness system management: 'Each facility must keep a record of all work-related injuries and illnesses resulting in a fatality, hospitalization, lost workdays, medical treatment beyond first aid, job transfer or termination, or loss of consciousness for that factory'. Data must be reported to Nike on a quarterly basis, with the exception of factories with 10 or fewer workers. [Code Leadership standards, 2017: s3.amazonaws.com] • Met: Injury rate disclosures: Total case incident rate for Tier 1 suppliers for the last two years. Also, it is compared for footwear, apparel and equipment segments with the industry level. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Met: Lost days or near miss disclosures: Lost time injury frequency rate for Tier 1 suppliers for the last 2 years. Also, it is compared for footwear, apparel and equipment segments with the industry level. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf] • Not met: Fatalities disclosures <p>Score 2</p> <ul style="list-style-type: none"> • Met: How working with suppliers on H&S: The Company states that it has developed a 'safety maturity model' based on existing academic research and published white papers, and assessment tools to allow our contract manufacturing partners to self-evaluate their capabilities to implement a world-class safety management system in their factories [...] To support this capability and accelerate safety culture in our factory contract manufacturers, NIKE has developed an online training on how to use our self-assessment tools'. 'The self-assessment can be supported by third party consultants or NIKE staff, and the results are calibrated with a worker/management safety perception survey'. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf & Health and safety on website, N/A: purpose.nike.com] • Not met: Provide analysis of trends in progress made

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.8.b	Women's rights (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Women's rights in codes or contracts: Regarding women's rights, the Code leadership standards includes requirements on safe work, pregnancy testing, contraception, and maternity leave. It also indicates that 'Women and men shall receive equal pay for work of equal value, equal evaluation of the quality of their work and equal opportunities to fill open positions'. [Code Leadership standards, 2017: s3.amazonaws.com] • Not met: How working with suppliers on women's rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made
D.2.9.b	Working hours (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Working hours in codes or contracts: Code of conduct (for suppliers) states that 'Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Suppliers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Suppliers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in extraordinary circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours'. [Code of conduct, 09/2017: s3.amazonaws.com] • Not met: How working with suppliers on working hours <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Met: Provide analysis of trends in progress made: Regarding working hours the Company discloses a chart with percentages of non-compliance for the last three reporting years. For FY16 and FY18 non-compliance was 39%. In FY17, it was 43%. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Headline: Cambodian factory workers suffer mass faintings • Area: H&S and Working hours • Story: In June 2017, The Observer and Danish investigative media site Danwatch reported that more than 500 workers in four factories have been hospitalised over the previous year. Women who collapsed worked 10 hour days, six days a week and the temperature in the factories hit 37 degrees celsius. <p>Workers interviewed as part of the investigation also described 28 people collapsing as they rushed to escape a fire at a factory supplying Nike and thick smoke in a factory supplying Puma.</p> <p>Puma, Nike, VF Corporation and Asics were contacted by the Observer and said that they investigated the episode.</p> <ul style="list-style-type: none"> • Sources: [Danwatch - 25/06/2017: old.danwatch.dk][The Guardian - 25/06/2017: theguardian.com]
E(1).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: In response to the allegations, Nike reportedly took this issue seriously and would carry out investigations and make improvements. [HRN calls for improvements in working conditions and prevention measures, 06/03/2018: hrn.or.jp] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail: Nike has investigated the allegations and states that it has taken steps to prevent fires and increase fire drill training for employees. The company also requires supplier factories to moderate the temperature, and has installed cooling systems and air conditioning in factories unable to keep the temperature below 30 degrees Celsius. However, the company has not responded in detail directly to the specific aspects of the allegations. [HRN calls for improvements in working conditions and prevention measures, 06/03/2018: hrn.or.jp]
E(1).2	The Company has appropriate policies in place	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: In regards to working hours, the company states that it complies with or exceeds "all applicable laws and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>regulations by implementing Nike's Code of Conduct and Code Leadership Standards. We strive to set higher standards for ourselves and our partners by identifying best practices and unacceptable risks." In regards to health and safety, Nike states that it is "dedicated to the protection of life and health in the workplace and working in a manner that protects and promotes safety, health and well-being of the individual and the environment." [Environmental, Health and Safety Policy, 2018: purpose-cms-production01.s3.amazonaws.com]</p> <ul style="list-style-type: none"> • Met: Policies apply to the type of business relationships involved: The company has a supplier policy which covers excessive working hours and overtime hours. The same policy requires suppliers to "Develop and implement Health, Safety and Environment (HSE) management system to eliminate or reduce risks associated with operations." Suppliers are required to implement the standards set out in Nike's Code Leadership Standards as a condition of doing business with the company. [Code Leadership standards, 2017: s3.amazonaws.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Policies address the specific rights in question: Nike does not indicate in its policies respect for working hours as a fundamental right. It does not indicate that its policies respect international standards and national laws on working hours or additional regulations concerning maximum hours and minimum breaks. In regards to health and safety: "At NIKE, we believe that protection of life and health in the workplace is a fundamental right. For us, safety is a core value, and we are dedicated to providing a safe, hygienic, and healthy workplace in all settings. Health and safety must be a strategic capability for our contract manufacturers." Nike provides data total case injury rates, lost time injury rates and fatalities of its employees and Tier 1 supplier factories. [Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com]
E(1).3	The Company has taken appropriate action	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders: The company reportedly undertook an investigation at the facilities in question. However, no evidence of engaging with the affected stakeholders found [HRN calls for improvements in working conditions and prevention measures, 06/03/2018: hrn.or.jp & Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com] • Met: Encourages linked business to engage affected stakeholders: Nike works with "Better Work – a joint initiative of the United Nations' ILO and the International Finance Corporation (IFC), a member of the World Bank Group – including its program in Cambodia, Better Factories Cambodia, to advance issues of health and safety in our factories. Our local team, along with Better Work, continue to work closely with our contract manufacturers to build management capabilities and to enhance the health and wellbeing of their workers." The company reportedly requires supplier factories to maintain a 30 degree Celsius or below temperature, and has installed cooling systems and air conditioning in factories that could not comply. Nike reported that it does not use short-term contracts. Finally, the company agreed to allow Workers Rights Consortium to visit and monitor its supplier factories as an independent auditor. [HRN calls for improvements in working conditions and prevention measures, 06/03/2018: hrn.or.jp & Sustainable Business report 16/17, 2018: sustainability-nike.s3.amazonaws.com] • Not met: Provides remedies to affected stakeholders: There is no evidence that Nike has provided remedies to affected stakeholders. • Met: Has reviewed management systems to prevent recurrence: Following the allegations, Nike reportedly allowed Worker Rights Consortium to regularly visit Nike's factories for an independent audit, and to examine labour conditions overseas. [HRN calls for improvements in working conditions and prevention measures, 06/03/2018: hrn.or.jp] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims: There is no evidence that Nike has provided remedies to the victims. • Not met: Has improved systems and engaged affected stakeholders: There is no evidence that Nike has improved systems and engaged with affected stakeholders.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.8 out of 4	Out of a total of 40 indicators assessed under sections A-D of the benchmark, Nike made data public that met one or more elements of the methodology in 28 cases, leading to a disclosure score of 2.8 out of 4 points.

Indicator Code	Indicator name	Score	Explanation
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> Met: Company reports on GRI: The Impact report includes a GRI index. [Impact report FY18, 05/2019: s3-us-west-2.amazonaws.com/uploads/2019/05/20194957/FY18_Nike_Impact-Report_Final.pdf]
F.3	Key, High Quality Disclosures	0 out of 4	Nike met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> Not met: Score 2 for A.2.2 : Board discussions Not met: Score 2 for B.1.6 : Monitoring and corrective actions Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> Not met: Score 2 for A.2.3 : Incentives and performance management Not met: Score 2 for B.1.2 : Incentives and performance management

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

No representation or warranty is given that the material in the Benchmark is accurate, complete or up-to-date. The material in the Benchmark is based on information that we consider correct and any statements, opinions, conclusions or recommendations contained therein are honestly and reasonably held or made at the time of publication. Any opinions expressed are our current opinions as of the date of the publication of the Benchmark only and may change without notice. Any views expressed in the Benchmark only represent the views of CHRB Ltd, unless otherwise expressly noted.

While the material contained in the Benchmark has been prepared in good faith, neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers or employees accept any responsibility for or make any representation or warranty (either express or implied) as to the truth, accuracy, reliability or completeness of the information contained in this Benchmark or any other information made available in connection with the Benchmark. Neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers and employees undertake any obligation to provide the users of the Benchmark with additional information or to update the information contained therein or to correct any inaccuracies which may become apparent (save as to the extent set out in CHRB Ltd's appeals procedure). To the maximum extent permitted by law any responsibility or liability for the Benchmark or any related material is expressly disclaimed provided that nothing in this disclaimer shall exclude any liability for, or any remedy in respect of, fraud or fraudulent misrepresentation. Any disputes, claims or proceedings this in connection with or arising in relation to this Benchmark will be governed by and construed in accordance with English law and submitted to the exclusive jurisdiction of the courts of England and Wales.

As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote

continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.