

In the race against climate change we're creating solutions for athletes* and the planet

Scaling ideas at NIKE is the game-changer

NIKE (1) has the climate impact of a global city (2). That's a significant role for a company to play and it motivates us to look at everything we do, because small adjustments lead to big changes.

Innovation is part of Nike's DNA. It's made way for a sub-two hour marathon and transformed trash into treasure. We're constantly re-thinking every aspect of NIKE—what product we make, how we make it, how we get it to athletes* (3) and how we take it back and transform it into something new. And, then, how to scale that process.

We're amplifying our successes and looking at the next barrier to break. We've set bold, science-based targets and we're optimistic that we can create a future where we all and this beautiful blue ball thrive.

1. When we reference NIKE or NIKE, Inc., unless otherwise stated, we are referencing our portfolio of brands including the Nike, Jordan and Converse brands.

2. Most people understand NIKE is big. But we thought it would be worthwhile to give that idea more context. NIKE is: about 75,400 employees; upwards of 1 million employees in our owned and supplier facilities; over 1,500 physical spaces; and we emitted 11,706,664 metric tons CO₂e in FY20. If we were a city, we'd have roughly the population and carbon footprint of Amsterdam, Netherlands.

3. If you have a body, you are an athlete.

MATERIALS & DESIGN

Increasing low-carbon material alternatives and designing out waste from the beginning

Currently, 78% of all NIKE, Jordan, and Converse products contain some recycled material. We're working to increase that number because adjusting materials, which are about 70% of our total carbon footprint, is one of our biggest opportunities to reduce our impact.

Specifically, we're working on ways to use low-carbon alternatives for the materials in our high-volume products without compromising style or performance. One example of why this matters: increasing our use of low-carbon materials to 50% of all key materials (polyester, cotton, leather, and rubber) puts us on track to reduce our GHG emissions by 0.5M tons by 2025.

We aim for generational impact that leads to Super Bowls, not dust bowls.

Recycled Poly

Each year, NIKE helps divert 1 billion plastic bottles from landfills and waterways by creating and designing with recycled polyester (4). We've tackled waste for decades through recycled polyester (5) in products like the **Nike Tempo Running Short (6)** and global **Football kits (7)**. We're re-thinking how recycled poly shows up in performance footwear like the **NIKE Air Zoom SuperRep 2 Next Nature (8)** and the **Nike Victory G Lite (9)**.

4. The recycled polyester used in Nike products begins as recycled plastic bottles. They are cleaned, shredded into flakes, converted into pellets, and spun into new, high-quality yarn that delivers peak performance with a lower impact on the environment.

5. Recycled polyester reduces carbon emissions by up to 30% compared to virgin polyester.
6. In the time you've been on this site, roughly 10 pairs of Nike Tempo shorts have sold. It's our #1 apparel style globally, selling a pair every six seconds (there goes another). We've been working on the materials recipe since 2004. Today the entire line is made from at least 75% recycled polyester. Most options come in at 100%. To date, this single product is responsible for diverting 112 million plastic bottles out of landfills and waterways.
7. No other sport captures global attention like the beautiful game. We've worked with top clubs and federations for over a decade to lessen teams' and fans' impact on the planet. Nike football kits are made with 100% recycled poly, and we're expanding into the entire football assortment including training and team gear.
8. The Nike Air Zoom SuperRep 2 Next Nature is designed for high-intensity training with less impact on the planet. A partially recycled poly upper and 15% Nike Grind rubber in the outsole result in at least 20% recycled content by weight.
9. The Nike G Victory Lite debuts this month at the Masters Par 3. This highly breathable, affordable design is made with at least 20% recycled content by weight.

Nike Crater Foam

Space Hippie (10) established a new limit to our materials galaxy in part due to the introduction of Crater Foam, a midsole material that uses a blend of about 10% Nike Grind (11) rubber with standard foam. We're expanding the possibilities of this innovative material with performance products like **Nike Cosmic Unity (12)** and lifestyle models like the new **Nike Crater Impact (13)**.

10. Space Hippie is an exploratory footwear collection featuring Flyknit yarn made from 85-90% recycled content, including plastic bottles, t-shirts and post-industrial scraps. Crater Foam midsole uses about 10% Nike Grind rubber combined with standard foam.
11. Nike Grind is a collection of recycled materials originating from Nike manufacturing scrap, unsellable products and worn-out sneakers that would have otherwise entered the waste stream. (Link out for more information on Nike Grind: <https://www.nikegrind.com>)
12. Cosmic Unity is Nike's first performance shoe made with at least 25% recycled material by weight including a 10% Nike Grind Crater Foam midsole. A reimagined basketball silhouette that provides durability, responsiveness and the control on the court that athletes ask for. The forefoot web network construction is created by an additive manufacturing process that allows for waste reduction and engineered performance precision.
13. The Nike Crater Impact provides distinct, sustainability-minded style at an accessible price point. This new silhouette is made with at least 25% recycled material and uses less materials thanks to efficient overlays, stitched curves, an embroidered swoosh, and a Crater Foam midsole.

Keep an eye out for fresh ideas as we innovate. We're exploring bio-materials (14) and re-considering classics (15). We're continuing to push ourselves to design waste out of products from the start by exploring new uses for Flyknit (16) and scaling 3D printing, digital prototyping, and improved pattern efficiency across NIKE.

14. The Nike Plant Cork Pack includes iconic silhouettes such as the AF1 and Blazer. They're made partially with cork, a low impact material, natural plant dyes and about 20% recycled content by weight including Recycled Poly Canvas on the uppers and outsoles crafted from 9% recycled cork-infused rubber.
15. We know it can be risky to change an icon, but we think it's worth it. The AF1 Crater Flyknit has lower impact than the original thanks to a Flyknit upper and Crater Foam midsole. The classic silhouette you love. A future-friendly method of make.

16. Nike Flyknit is precision engineered, reducing waste by 60% compared to traditional footwear upper fabrication. The simplicity of Nike Flyknit means that there are dramatically fewer parts involved in the construction of a shoe, resulting in a smaller carbon footprint than traditional footwear manufacturing. Each shoe upper made with recycled polyester Nike Flyknit yarns contain an average of 6 to 7 recycled plastic bottles.

SUPPLY CHAIN

Re-thinking each component to build a better system

We're addressing climate change throughout our extended value chain (17) by collaborating with independent factories and material suppliers (18) to find better alternatives for production methods and energy sourcing. Our end-to-end approach focuses on carbon & energy, waste, chemistry, and water across the entire product lifecycle to help improve conditions for people and places worldwide.

17. Our full value chain footprint spans extraction of raw materials to the end of life of products. Analyzing the details of our extended value chain helps us identify where we can make the greatest impact. Learn more: <https://purpose.nike.com/value-chain-footprint>

18. Have you ever wondered where NIKE products are made? We have a map for that: <http://manufacturingmap.nikeinc.com/>

A holistic approach to benefit our global community

Carbon

Sometimes success means choosing a tougher race and staying in it. We didn't meet our FY20 carbon targets partially because our internal alignment and processes weren't as strong as we thought – so, we've changed them. Learn more (19). We're keeping pace while we adjust our approaches and increase collaboration within our supply chain to find new approaches. We aim to be at or below our 2020 carbon emission levels moving forward, despite anticipated business growth. It might mean being in the pack for a while, but a lack of pace could increase our emissions by about 30% over five years.

19. For example, we moved from the Footwear Sustainability Index (FSI) to the more holistic, rigorous Material Sustainability Index (MSI) and learned we were behind industry standards due to years of relying on a single index score. We didn't have specific carbon reduction goals by material type or process, and targets rarely extended to our supply chain. Over the past few years, we rapidly brought innovations to life across materials, methods of make, and product design. The tradeoff of our growth was less efficiency in product development and production.

Energy

We've worked with suppliers over the last decade to eliminate, optimize, or decentralize 50 boilers globally. That relatively small number has made a big impact, and the energy needed to produce each pair of shoes has been reduced by 10% as a result.

Steam boilers aren't sexy, but they are critical in powering many parts of the shoe-making process. They're also traditionally inefficient, reliant on fossil fuel, and energy hogs (20).

20. Steam boilers account for 40% of a factory's energy consumption.

Waste

A truth of waste: trash is treasure.

One of our greatest inventions is **Nike Air (21)**. It's also one of our most sustainable innovations. We're able to reuse more than 90% of the waste from Air manufacturing, often turning it into new Air bags. This ensures all NIKE Air soles are made with at least 50% recycled material. By exploring the possibilities of Air, we can build innovative, low impact footwear, like the **Air Max Genome (22)** and create new ways to reuse airbag scraps, like the **Nike Next Nature Football (23)**.

21. Nike Air shows up in 50% of NIKE footwear. If it were a standalone athletic company, by revenue, it would be the 3rd largest in the world.

22. The Genome is a great example of how we can push the entire Air franchise toward sustainability when we create new silhouettes made with at least 20% recycled content by weight. Inspired by the 2000's, this full-length performance Air unit model features an Air bag made of 75% recycled TPU and a streamlined upper made partially with recycled materials.

23. Made entirely from recycled material, this skills ball was designed to inspire creativity in young players. The outer shell is made entirely from recycled airbags giving a dynamic look that lets you see through to the 100% recycled yarn fill inside.

Small changes pave the way to achieve big aims. In FY20 alone, single digit and centimeter adjustments (24) prevented more than 3.5 million kg of waste from ever being created. At scale, these adjustments and innovations are our path to achieving 100% waste diverted from landfills from our extended supply chain and recycling at least 80% of product manufacturing scraps back into NIKE products and other goods.

24: A few examples: we switched packaging materials (think huge cardboard boxes) to reusable cartons for transporting footwear and continued a multi-year process of deploying hundreds of modernized cutting machines that cut pieces of garments and footwear with narrower gaps and less wasted material between them. Find more examples in our FY20 Impact Report. <https://purpose.nike.com/fy20-nike-impact-report>

OPERATIONS & RETAIL

Finishing strong – to start again

The last phase of a product's life—getting it to athletes* and, eventually, back from them—is one of the most challenging pieces of the sustainability puzzle. Customized goods and next-day delivery are expectations. What to do with well-loved products is blurry. And no one likes receiving a crunched package. So we're re-thinking it all.

A stronger last mile, brought to you by innovation, ingenuity, and grit.

Logistics

We're recreating logistics through the lens of sustainability. We've adjusted how we move inventory; we've reduced air freight by aligning our production schedules to ocean freight departure schedules. If you're in Paris or major cities in Greater China, your order will likely be delivered by electric vehicle (25). Solar panels are powering our North America Logistics Campus, and are also providing electricity to neighboring communities. By 2025, the game plan is 100% renewable electricity and fleet electrification (26) to drive a 70% absolute reduction of GHG emissions in owned and operated facilities.

25. We're using electric vehicles for last mile deliveries wherever possible. In Greater China, we use e-van deliveries in 15 cities to support last-mile deliveries. Find more examples in our FY20 Impact Report. <https://purpose.nike.com/fy20-nike-impact-report>

26. We're adopting alternative fuels and helping bring them to scale. At our European Logistics Campus (ELC) we activated the first end-to-end "low-carbon lane" for digital purchases in the Grand Paris region. And we have already reached 100% renewable energy in U.S. and Canada. At our largest distribution center in the world—the North America Logistics Campus (NALC) in Memphis, Tennessee—we installed a 2-

megawatt (MW) solar array consisting of 5,500 panels adjacent to the facility, which is forecasted to produce enough electricity to power more than 300 homes in the area. In Louveira, Brazil, we installed a rooftop solar array which is expected to power over 25% of our distribution facility's electricity.

End-of-Use

We've set a 2025 goal to donate, refurbish, or recycle 10X more used or defective product than we do today. To achieve this, we're making it easier for people to return their used product back to us. We're scaling Reuse-A-Shoe (27) to stores in Greater China and re-energizing our operations (28). Recently, we rolled out Nike Refurbished (29) in select North America stores. We're also hosting up-cycling workshops and providing relevant content like repair & care videos (that will go live this summer) to help extend the life of products.

27. Reusing worn out athletic shoes by turning them into Nike Grind. This program was created in 1992. Today it's active in stores throughout the USA and Europe.

28. In July 2019, our new NIKE Grind machine went live at Rebound, Nike's reverse logistics distribution center. In FY20, this state-of-the-art system produced 131 metric tons of rubber, 135 metric tons of foam, and 252 metric tons of textile fluff that could be reused from end-of-life footwear. The rubber alone is enough to equip approximately 1M sqft of playground surfaces using 20% NIKE Grind.

29. NIKE Refurbished is a circular business model that refurbishes returned product and puts it back in the market at a can't beat price. We're confident it will reduce waste and increase athletes' access to quality product.

Packaging

It's easy to equate a damage-free order with extensive packaging. But we're learning that assumption isn't entirely accurate. With packaging making up about 30% of our waste footprint, it's a significant area to build and scale innovation. We've worked behind the scenes to implement re-usable boxes and cartons in our distribution centers. New shoe box designs (30) reduce carbon emissions by 50%. We're taking on everything from return labels (31) and plastic bags (32) to toe stuffing (33) and box sizing (34). We're moving away from plastic air pillows and have cut about 90,000 kg (or roughly the weight of two NBAs—60 professional basketball teams) of plastic annually from our waste stream.

30. In EMEA, we improved the outer box for footwear e-commerce shipments with 18% less corrugate material compared to the previous design. The new version also reduced carbon emissions by 50%. (We also re-designed all digital shipping envelopes used for apparel, adding a re-seal strip for customer returns and using similar size range to footwear boxes to reduce corrugated material.)

31. In North America, we started a paperless return experience for all e-commerce orders. In the first eight weeks, we saved 2 million sheets of paper, while enabling an increase in daily shipping capacity.

32. We are on track to eliminate plastic bags in our retail stores by the end of calendar year 2021.

33. We aim to use toe stuffing only where it is absolutely needed.

34. We are ensuring our shoe boxes are sized the best with each shoe size, reducing the amount of unused space in the shoe box.

The results of strengthening the last mile are moving us steadily toward our goal to reduce an additional 10% of waste per unit in manufacturing, distribution, headquarters, and packaging through improved design and operational efficiency by 2025. And we're looking for opportunities to pick up the pace, because the impact of millions of athletes* buying, using, and reusing product in more sustainable ways is a major win for us and the planet.

A team effort.

When it comes to re-writing our planet's future, our aim is to change industry standards along with our products and processes. Because we know that the faster we can collectively do more for the environment, the better it will be for generations to come.

We're also creating ways for each athlete* to take part. Look for the sunburst when shopping NIKE products. Tune into Talking Trash, starting April 22nd, for discussion and ideas from the NIKE community. Take note of brands' accountability to larger sustainability agreements like **G7 Fashion Pact, Transform to Net Zero and UNFCCC Fashion Industry Charter for Climate Action**. Keep an eye out for Membership resources, like Repair & Care videos going live this summer and local store programming.

For more information: <https://purpose.nike.com>