

Nike's response to « Anti-jeu – les sponsors laissent les travailleurs sur la touche » report by Collectif Ethique sur l'Etiquette

14 June 2016

Business & Human Rights Resource Centre invited Nike to respond to the following items:

- « Le Collectif Ethique sur l'étiquette lance la campagne « Anti-jeu » et un rapport sur les impacts sociaux du modèle économique de Nike, Adidas et Puma », Collectif Ethique sur l'Etiquette, 1^{er} juin 2016

http://www.ethique-sur-etiquette.org/Euro-2016-Le-Collectif-Ethique-sur-l-etiquette-lance-la-campagne-Anti-jeu?var_mode=calcul

- « Anti-jeu – les sponsors laissent les travailleurs sur la touche », Collectif Ethique sur l'Etiquette, 1^{er} juin 2016

http://www.ethique-sur-etiquette.org/IMG/pdf/ese_rapport_euro2016_hd.pdf

Nike sent us the following response:

“Thank you for sharing the BASIC study conducted for the Clean Clothes Campaign on working conditions in global supply chains.

Nike has worked to improve labor conditions in our footwear, apparel and equipment supply chains for more than 20 years. We've made significant improvements, driving positive change for workers in contract factories and across the industry. We've also learned some important lessons along the way. These lessons have compelled us to invest in making substantial changes to our manufacturing approach to ensure that it is truly a sustainable business.

We are transforming our approach to manufacturing because we know that when workers are valued, issues of compensation, overtime, workplace conditions and worker engagement will fundamentally shift. Compliance with Nike's Code of Conduct has always been a non-negotiable requirement for our contract factories. We are now focused on working with fewer, better factory partners that share our philosophy that valued workers create a productive and sustainable business model.

- Today, we work with 655 factories, down from 930 in FY11.
 - 86% of our factories currently have achieved a performance rating that demonstrates their commitment to valuing workers and improving environmental standards.
- We're committed to reaching 100% by the end of FY20.

As our relationship with workers and factories continues to evolve, we remain committed to the power that transparency in our supply chain brings to our role as an industry leader.

- A decade ago, Nike was the first company in our industry to publicly disclose our contract factory base through our Nike Manufacturing Map.
- In 2012, we launched our Sustainable Manufacturing and Sourcing Index (SMSI), an index for measuring contract factory performance that elevates labor and environment standards to an equal level with traditional measures of quality, cost and delivery.

We are investing in working with our factory partners to better engage and value their workers. Since 2012, we have run a number of pilot research programs in four countries dedicated to, among other topics, testing leadership mindset and worker engagement,

creating new compensation and benefit models for workers, and delivering smartphone services to support and meet the needs of workers. These efforts are aimed at engaging, empowering and connecting workers to help make positive changes inside and outside the workplace.

These programs are yielding encouraging results: workers report improvements in key elements of well-being, including health, financial stability, free time and relationships with contract factory management. However, we know enforcing standards is not enough. In addition to Nike's Code of Conduct standards, we are developing and applying a Lean management system across our source base that focuses on new approaches to engagement, training, problem solving, communications, compensation and incentives for workers.

We are proud of our approach to enforcing standards and incentivizing new business models. But we know there is still work to be done and we can't do it alone. Partnerships with governments, NGOs, brands, unions, factory workers and manufacturers are integral to driving long-lasting, systemic change across the industry.

As a critical next step, we are advocating for a convergence of compliance standards across the entire industry. By working with partners to harmonize standards, we can raise the bar in far more factories, and ensure far more workers are protected, valued and engaged. We stand ready to work with others and share what we have learned and implemented in our source base with the aim of creating a new standard.

This commitment to sustainable labor innovation is addressed in depth in our recently released Sustainable Business Report (see: <http://about.nike.com/pages/sustainable-innovation>). We invite you to read this report to see how Nike aims to transform manufacturing across our industry.

Sincerely, Nike, Inc.”