

# Nike Inc. (Nike)

**TICKER**  
NYS:NKE

**MARKET CAPITALISATION**  
US\$215.93 billion

**HEADQUARTERS**  
United States

**DISCLOSURES**

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Yes](#)

Australia Modern Slavery Act: [Yes](#)

**OVERALL RANKING**

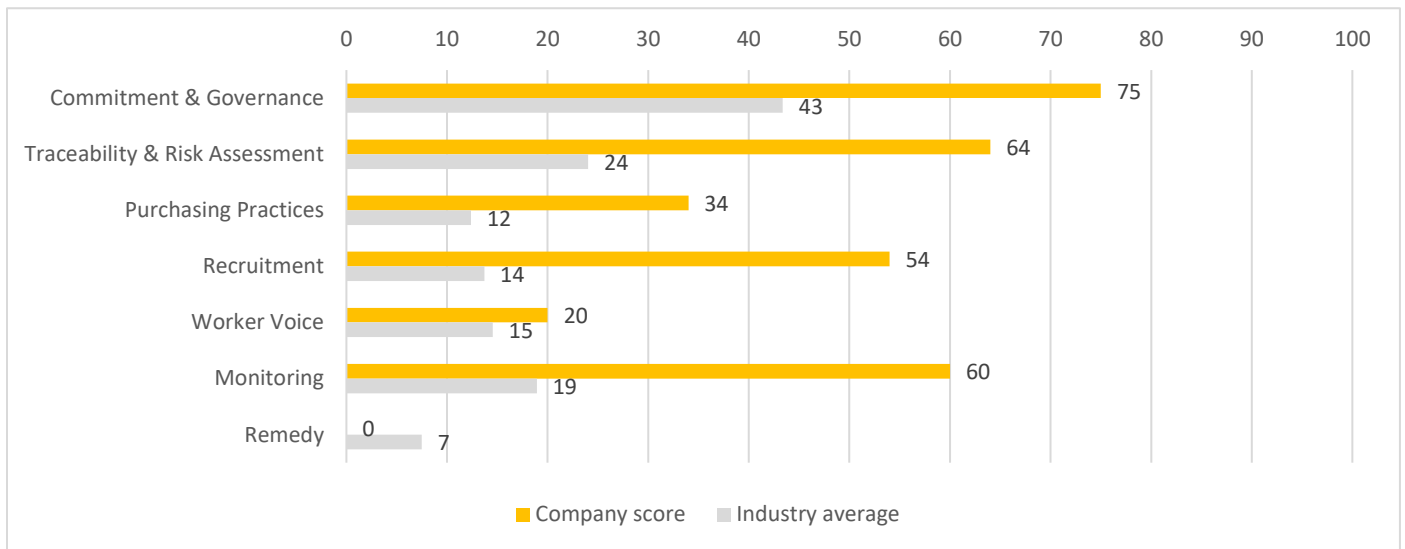
**6 out of 65**

[2021 Rank:](#) 6 out of 37

**OVERALL SCORE**

**48 out of 100**

**THEME-LEVEL SCORES**



**KEY DATA POINTS**

**FIRST-TIER SUPPLIER LIST**

Yes

**RISK ASSESSMENT**

Yes

**DATA ON PURCHASING PRACTICES**

Yes (one data point)

**ENGAGED WITH KNOWTHECHAIN<sup>2</sup>**

Yes

**NO-FEE POLICY**

Yes (Employer Pays Principle)

**REMEDY FOR SUPPLY CHAIN WORKERS**

No

**HIGH-RISK RAW MATERIALS<sup>1</sup>**

Cotton, leather, rubber, viscose, and others

---

## SUMMARY

Nike Inc. (Nike), the most valuable apparel brand globally in 2022,<sup>3</sup> ranks 6<sup>th</sup> out of 65 companies. Since 2021, the company begun disclosing limited information on the forced labour risks it identified in its supply chains, limited data on the use of its grievance-mechanism available to supply chain workers, established an additional grievance mechanism for its Thai supply chain workers managed by the worker-led organisation Issara Institute, and disclosed a responsible recruitment training provided to strategic second-tier suppliers in Taiwan. However, the company did not improve across other themes. The company performed particularly poorly on the theme of Remedy, scoring zero, and scores zero on Freedom of Association. As such, the company has not advanced in rank.<sup>4</sup> The company's score is based on its stronger performance on the themes of Traceability & Risk Assessment, Monitoring, and Recruitment. Notably, Nike is the second-highest scoring North American company in the benchmark.

KnowTheChain identified one public allegation of forced labour in the company's supply chains, which concerned indirect sourcing linked to alleged Uyghur forced labour. The company stated, in November 2020, that it confirmed with suppliers that they are not using textiles or spun yarn from the XUAR. However, further detail on how this is ensured is not provided, and the company does not disclose the steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers.

Additional steps the company could take to address forced labour risks in its supply chains, include strengthening its disclosure and practices on the themes of Purchasing Practices, Worker Voice, and Remedy.

---

## LEADING PRACTICES

**Monitoring:** Through a partnership with the Issara Institute in Thailand, local and migrant workers at Nike's first- and second-tier Thai suppliers can provide feedback or concerns through multiple channels managed by Issara. Issara further works with Nike's first- and second-tier suppliers that employ foreign migrant workers and provides on-site support, expert consultation. When an issue arises, Issara shares worker's concerns anonymously with the relevant supplier, provides support and follow-up throughout the supplier's improvement progress, and "update[s] related worker directly and gather[s] any additional feedback."

**Recruitment:** Nike discloses undertaking a mapping of recruitment intermediaries used by suppliers and assessing recruitment-related risks using a digital tool (CUMULUS Forced Labor Screen), as well as partnering with the Responsible Labor Initiative to deliver training on responsible recruitment for all strategic second-tier suppliers in Taiwan and implement a 6-month post-training coaching and consultation program for suppliers trained, where suppliers developed a gap analysis of their own recruitment systems and practices and worked towards improvements in areas identified.

---

## OPPORTUNITIES FOR IMPROVEMENT

**Purchasing Practices:** While Nike discloses, in general terms, meeting with suppliers quarterly to "discuss business forecasts", soliciting supplier feedback, paying "appropriate" amount for cancelled orders, and "regularly review[ing]" its purchasing practices, it does not disclose concrete ways in which it has improved its purchasing practices to mitigate risks of forced labour. To ensure stakeholders' confidence, the company is encouraged to disclose quantitative data evidencing the implementation of responsible purchasing practices that go beyond payment terms or contract length. The company may further consider

separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

**Worker Voice:** To support collective worker empowerment and effective context-specific due diligence, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Further, the company is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers, such as migrant workers. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

**Remedy:** The company may consider disclosing the process it follows to ensure that remedy is provided to workers in its supply chains in cases of forced labour, including details such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers. To demonstrate leadership, the company is encouraged to consider actively supporting remediation requests from supply chain workers (e.g. by publicly supporting such requests, or by contributing to funds for affected workers).<sup>5</sup>

---

<sup>1</sup> For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2023 apparel & footwear benchmark findings report](#).

<sup>2</sup> Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

<sup>3</sup> Statista, (September 2023), "[Ranking of the most valuable clothing & apparel brands in the world between 2021 and 2023, by brand value](#)." Accessed 30 November 2023.

<sup>4</sup> KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See [here](#) for more information.

<sup>5</sup> The #PayYourWorkers campaign calls for brands to sign a [legally binding agreement](#) which would include signing on to a negotiated severance fund, as well as settling any outstanding wage payments.