

Nike's Corporate Responsibility, Sustainability and Governance Committee

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Luis Otero	2020	International Business
Geena Peyton	2020	International Business
Christine Guinessey	2020	Political Science
Maceo Patrick	2022	International Business

Advisor(s): David Ruda, Anna Helm, Ph.D. & Alexis Gaul

Topic: Nike: A Push to Do Well by Doing Good

Division: Undergraduate

Audience: Nike Board of Directors and C-Suite Management

Sustainable Development Goal

SDG #8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Executive Summary

The athletic wear industry is currently estimated at 1.3 trillion USD. Athleisure, a new fashion trend that propelled athletic wear as mainstream everyday fashion, has become in demand among consumers leading to popular firms, such as Nike, to increase their production of athletic wear. Nike's growth came at a time when consumers became more concerned about sustainable consumption, resulting in criticism of Nike's labor practices throughout the supply chain. Nike outsources its manufacturing processes in approximately 44 countries with nearly 1,088,415 plant workers. Due to the widespread distribution of manufacturing, ethical labor standards are highly variable, and Nike also has lacked transparency about the conditions in which manufacturing workers operate. During the 1990s, Nike started to come under public scrutiny when Jeff Ballinger, a well-known activist, released a report exposing Nike's unfair labor practices. Its overseas factories were places of wages grossly below minimum wage, hazardous working conditions, and violations of basic human rights.

In the past two decades, Nike has made strides to improve its brand image and treatment of workers; however, the company still suffers from a number of labor rights issues. For instance, the company is currently being sued by multiple women on claims of gender-based pay discrimination. The suit was filed in August 2018 by four women attesting that Nike failed to offer them pay and promotions equal to those of their male counterparts. In February 2019, the lawsuit survived a motion made by Nike for case dismissal; that lawsuit is currently awaiting a formal District Court hearing. Further, Nike faced scrutiny when multiple workers experienced fainting episodes in manufacturing plants due to poor working conditions. These issues are indicative of continued and persistent labor rights problems from its past. Therefore, in order to mend brand image and secure profitability among a socially-aware consumer base, it is imperative for Nike to increase transparency, enforce a subscribed codes of conduct, and promote gender equality among workers at all levels of the company.