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PlayFair 2008 Demands	Action			Nike Comments
		Vancouver 2010	London 2012	
A. Freedom of Association and Collective Bargaining				
Take immediate and positive steps to ensure specifically that the right of workers to form and join trade unions and to bargain collectively is respected throughout their respective supply-chains.	A1. In order to develop a positive climate of non-interference with freedom of association and collective bargaining within sportswear supply chains, require all suppliers to proactively adopt a "Freedom of Association Policy" and communicate this policy to workers in their own languages in the form of a 'Right to Organize Guarantee'. Audit to ensure the policy has been adopted and communicated to workers.	Policy adopted at a minimum of 30% of suppliers, verified in every audit conducted by the company or MSI..	Policy adopted at 100% of suppliers, verified in every audit conducted by the company or MSI.	Nike is exploring a longer-term effort to work with suppliers to develop their own codes of conduct. As part of this, Nike would encourage suppliers to outline their commitment to non-interference in workers' rights to organize and bargain collectively that could be communicated to workers in their own languages.
	A2. In collaboration with trade union organizations and credible labour rights NGOs, facilitate independent education and training for workers and management personnel concerning freedom of association and collective bargaining.	in at least 50% of supply factories.	in all supply factories.	Nike supports this concept. We would prefer such training be organized as part of a multi-stakeholder process. We do not have the capabilities as an individual brand, however, to meet the targets in the current timeframes.
Maintain production in unionized facilities, and when expanding production, give preference to locations where trade union rights are respected in law and practice.	A3. Develop means of measuring impacts of management and worker training programs, and require quantitative and transparent reporting on those results by member companies.	●	Adjust training programs based on results of impact assessments.	We would be willing to collaborate with other stakeholders in support of this recommendation. Additionally, Nike's Human Resource Management (HRM) training, in its pilot stage, includes a component to measure the impact of worker and management training.
Put in place a functioning industrial relations framework to ensure working conditions that comply with international labour standards and national labour legislation, whichever provides greater protection for the workers concerned.	A4. Provide accessible and safe means by which workers can file complaints about violations of freedom of association and collective bargaining rights to buyers, with a transparent process for resolving credible complaints.	in all supply factories.	Ongoing	In general, Nike is committed to promoting factory investment in building effective, accessible, and safe grievance reporting systems. We have also supported setting up hotlines for workers to share their grievances in several countries. We prefer systems that are not dependent upon our brand for them to operate, in order for the system to operate in a more neutral and effective manner. While we anticipate scaling up our efforts in this area, Nike does not believe it could reach the targets in the outlined timeframes.
	A5. Provide measurable incentives for factories that have a Collective Bargaining Agreement with an independent trade union, including: <ul style="list-style-type: none"> • Preferential order placement; • long-term, stable supply contracts; and • a measurable CBA premium in unit prices. 	Communicated to all supply factories	Review progress and, if necessary, increase incentives.	Nike is committed to enforcing our Code of Conduct, which requires our suppliers to respect workers' rights to organize and bargain collectively if they choose to do so. In addition, our balanced scorecard places compliance with our Code of Conduct alongside other important measures, such as quality, planning, and costing. Given that ILO convention describes the rights in both negative (to not
	A6. Require quantitative member company reporting on the presence of unions and collective bargaining agreements within their supply chain, including both the number of factories with unions and collective bargaining agreements and the percentage of total production in such factories.	●	Ongoing	Where we have a high volume of production in a particular factory, we can develop a mechanism for reporting on the presence of unions and collective bargaining agreements. However, where we have only a small percentage of production volume, it may be difficult to obtain and validate this data.

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	A7. Report publicly on the percentage of production in countries and/or zones where freedom of association and collective bargaining are legally restricted.	●	Ongoing	Nike discloses its production volumes for footwear by country in our annual financial statement. Interested stakeholders are encouraged to check with sources such as the US Department of State and NGOs regarding which countries legally restrict freedom of association and collective bargaining. We also list all of the suppliers with which we work in making branded finished goods on our website by name and address.
	A8. Provide access and opportunities for unions to disseminate information to workers regarding freedom of association and unions	In all supply factories	Ongoing	We expect our contract factories to respect a country's legal requirements allowing unions to disseminate such information.
	A9. Require the signing of access agreements between factory management and local unions at supply factories	In at least 25 % of suppliers	In at least 50% of suppliers	Nike expects its contract factories to respect a country's legal requirements regarding agreements between factory management and local unions.
	A10. Where trade unions are present or newly established at supply factories, facilitate the negotiation by the union and the employer of grievance procedures, as well as rules and procedures for hiring, firing, promotion, discipline, union facilities at the workplace, and dispute handling.	at applicable supply factories	at applicable supply factories	We are committed to promoting the training of union leaders as an element of well-functioning HRM system. Depending on how one defines "facilitate" we support this goal, although achievement is embedded in our broader capacity building, so may not work with all applicable facilities.
	A11. Where trade unions are not restricted by law but non-union forms of worker representation are permissible, ensure that such forms of workplace representation conform with the principles of worker representation as laid down in ILO Convention 135.	●	Ongoing	Nike supports this in theory. It will be important to clarify what specific action is requested to put this into practice.
	A12. Where freedom of association and collective bargaining are restricted by law, take identifiable measures promoting genuine freedom of association within the country concerned, including engaging the workers collectively to facilitate their self-organization in ways that are consistent with the principles of freedom of association and respect for human rights.	●	Ongoing	We believe it is our role to focus on legal frameworks and supporting the independent training of workers to develop their ability to maximize the rights afforded to them. We do not believe it is our role to organize workers directly.
	A13. Where freedom of association and collective bargaining are restricted by law, express public support for positive legal reforms of labour laws to remove these legal restrictions.	●	Ongoing	Nike supports this recommendation in general, but advocacy strategies will be agreed to on a country by country basis.
B. Precarious Employment				
In every instance ensure that work performed in their respective supply	B1. Enter into formal employment contracts with workers and ensure workers receive a formal appointment letter setting out the terms of their contract.	100% of workers	Ongoing	Nike supports this recommendation. We would be challenged to validate that it was being applied in 100% of all cases at any given time, but it is our expectation.

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chain is performed under the protections provided by a recognised employment relationship and internationally recognised labour standards	B2. Eliminate third-party employment schemes for any workers engaged in the company's core business [1]	100% of workers	Ongoing	Overall, we support this recommendation for workers who can be consistently employed all year. We enforce our Code of Conduct for the benefit of all workers, whether they are full-time or employed through a contractor. We strongly discourage our factories from using third-party contractors to hire workers for employment in core business functions. In some countries, under some conditions, however, it is legally required to use employment agencies (e.g. small firms in Malaysia).
	B3. Ensure that workers engaged in the company's core business are employed under open-ended or undetermined duration contracts, and that:	at least 95% of workers	Ongoing	We support the overall concept of eliminating inappropriate use of short-term contracts for workers engaged in core business operations. We also strive to move toward longer-term strategic partnerships with suppliers, which we believe should encourage longer-term contracts for workers. In some cases, however, there are business reasons why a factory may need to employ workers for a short period of time (e.g. peak production periods). We would be willing to engage with stakeholders to determine fair practices around the appropriate use of short-term labor in these specific circumstances.
	<ul style="list-style-type: none"> Any use of fixed duration contracts is in response to a clearly defined plan justifying their use; Any workers on fixed duration contracts are provided the same salary and benefits accorded to permanent workers performing the same work; Once a short-term employee has been hired on a fixed duration contract twice by the same employer, or for two years, the employee is automatically hired on an undetermined duration contract with the third contract. Where requirements are stronger under local law, the higher standard should prevail. 			
	B4. Incorporate a clause in the Code of Conduct prohibiting labour-only contracting arrangements or false apprenticeship schemes intended to avoid fulfilling obligations to workers.	•		The specific details and language would need to be discussed, but Nike is supportive of including such a principle within our Code Leadership Standards.
	B5. Produce guidelines for member companies on precarious employment, and incorporate key requirements into Compliance Benchmarks.	Produce guidelines and incorporate in benchmarks		Nike supports this recommendation.
	B6. Establish long-term, stable supply contracts with supply factories.	With at least 40 % of supply factories	With at least 60% of supply factories	Nike's focus within apparel and footwear is to move toward fewer stronger, longer-term strategic partnerships with factories. Our ability to meet the target and report on it depends on how the percentages are measured. If based on FOB volume or % of workers, this is attainable, as it reflects our current footwear strategy. If it reflects total number of factory locations, this may be more challenging, particularly as we are just beginning to incorporate Nike subsidiary brands into the overall strategy.
	B7. Ensure that payment schedules are set out in all supply contracts and that payments are made on time.	For all supply factories		This is something that Nike believes is good practice and should be implemented. However, it will be difficult for stakeholders to verify this information, which Nike deems confidential to our business operations.

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	B8. Establish an optimum notice time for factories about changes in existing orders or placement of orders so that the factory is able to adjust production accordingly without violating hours of work standards or requiring the use of short-term contracts and subcontracting. Apply optimum notice time for placement of orders and changes in existing orders.	for placement of at least 60% of overall orders and all changes in existing orders	for placement of all orders and all changes in existing orders	In theory, we believe that this is good practice that should be implemented. However, we would need to clarify what criteria should be used in order to measure implementation of this recommendation, as well as how this could be verified externally, given the sensitive business nature of this information.
	B9. Express public support for positive legal reforms of labour laws in each country of supply to legally restrict the use of short-term contracts.	In each country		Yes, within the context of avoiding infringement of workers' rights.
C. Factory Closures				
	C1. Develop and adopt formal policies and procedures to give effect to the MFA Forum's <i>Collaborative Framework</i> , including all of the steps outlined by the Clean Clothes Campaign and Maquila Solidarity Network (see page ___), and communicate these policies publicly.	Adopt formal policies and procedures		We advocate for working with stakeholders at the local level to address specific challenges around retrenchment, e.g. payment of severance. Nike does have a formal exit policy, outlined in our CR report.
	C2. Report publicly on the percentage of production in each country of operation.	●	Ongoing	For our footwear business, this is something that we report on already. Where financially material, we also report this information for apparel and equipment. At this point, we are not likely to report on a further level of detail because further specific information is deemed sensitive to business.
	C3. Report publicly on the average length of relationship with supply factories, as well as more detailed statistics on the number of factories with which the company has worked for various incremental number of years (e.g. 1, 3, 5, or more years) and where they are located.	●	Ongoing	This would be very challenging, given our current data collection methodology and the design of our information systems. However, we may be able to consider this as part of a broader reporting effort on our focus factories.
	C4. Report publicly on the company's policies for supplier/vendor selection, management, and/or termination, including new source approval process, linking of supplier CSR performance with sourcing decisions, and strategy for managing impact of exiting factories.	●	Ongoing	This is something that Nike currently reports on in our Corporate Responsibility reports.
D. Living Wages				
Undertake concrete steps to address the living wage issue (ensuring suppliers do not hold worker	D1. Incorporate a living wage standard in the Code of Conduct.	●		Nike is beginning to evaluate the impacts of the total compensation package provided to workers and determine, in collaboration with stakeholders, where improvements might be made. We are not prepared to incorporate a living wage standard in our Code of Conduct at this time.

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deposits, and pay wages on time)	D2. Ensure that payment schedules are set out in supply contracts and that payments are made on time.	100% of supply contracts	Ongoing	Yes, this is something that can be put into practice. However, we are uncertain as to the viability of this commitment, given that we would not be able make this information public, due to the sensitive nature of information contained in supplier contracts.
	D3. Undertake an independent review of prices paid to suppliers in supplier factories to determine whether prices paid to suppliers are sufficient to allow compliance with international labour standards and provide for an expected wage for workers that meets workers' basic needs.	in a representative sample of supplier factories across supplier countries and product types.		We willing to engage with stakeholders to discuss if there is another way to achieve this objective (e.g. identifying ways to train trade unions on product costing). We believe that a third-party review of prices paid to suppliers could be subject to significant challenges which could make the attainment of this objective unfeasible.
	D4. On a confidential basis, provide information regarding the unit price the buyer is paying for goods to workers' representatives engaged in collective bargaining with suppliers	Where applicable	Where applicable	We will not provide this information ourselves, but we will encourage factory management to consider doing this.
	D5. Work with trade unions, suppliers and NGOs to develop a wage ladder, including a living wage figure for workers in each country or region.	Develop wage ladders in 40% of supply countries.	Develop wage ladders in remaining supply countries.	Nike supports this initiative. We expect that this will draw from existing work done in this area, rather than starting from scratch. We are also interested in evaluating the impacts of the total compensation package provided to workers within their local contexts.
	D6. Commit to achieving a living wage over time by: <ul style="list-style-type: none"> collaborating with other buyers (possibly through an MSI) to identify suppliers in which participating buyers collectively control more than 75% of production on a regular basis; facilitate the establishment of negotiating structures to enable factory management and trade union(s) to consolidate the living wage element into the existing pay structure at those factories; individually negotiate with factory management on measures needed to meet a living wage target proportional to each buyer's share in production. 	Identify suppliers and establish negotiations	Achieve a living wage standard in at least 25% of supply factories	Nike is committed to evaluating overall worker well-being within a specific initial set of factories. This assessment will include wages. We will report on our efforts to advance overall worker and community well-being, which may include increasing wages, and could also include improvements in other areas, such as addressing underlying obstacles to freedom of association, community development needs, etc.
	D7. Across the supply chain, favour suppliers that consistently meet a higher standard on the wage ladder for the region.	Document measurable increases in worker wages in each country of supply	Document further measurable increases in worker wages in each country of supply	Nike favors suppliers that achieve higher performance with regards to our balanced scorecard, one component of which is compliance with our Code of Conduct.
	D8. Commission one or more independent studies of lean production methods and whether they reliably deliver increases in wages to workers by increasing the efficiency of production lines without increasing the pace, hours or physical exertion expected of workers.	•		We agree that research and analysis of the impacts of lean manufacturing on workers would be a positive contribution. Framing the research in this particular way may not be the most effective in terms of obtaining accurate results. For example, asserting an up-front assumption that workers are experiencing negative impacts could affect the type of result obtained.

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	D9. Monitor the use of production targets within supply factories to ensure that increases in production targets for workers are only adopted after significant upgrades to equipment, processes, or worker skills. Ensure that increases in wages are not answered with decreases in other monetary benefits.	●	Ongoing	We are interested in studying the interaction between lean manufacturing and HRM systems in order to learn how we might monitor such information.
	D10. Advocate/and or support advocacy with national governments for increases in the minimum wage consistent with ILO Convention 131.	●	Ongoing	This needs to be considered on a country-by-country basis.

[1] The “core business” of the company should be interpreted as the main services for which the company is contracted, e.g. cutting, sewing, etc. Non-core business may include subcontracted services not integral to the business of the company such as canteen service.