

NIKEBIZ : NIKE RESPONSIBILITY : CONSIDERED DESIGN : SUSTAINABLE MATERIALS

Sustainable Materials

What we use.

As part of the production of our products, we face a number of challenges, ranging from use of materials to handling waste. For each, we have developed and applied an appropriate approach and continue to seek ways to limit use of materials and handle them safely and, where possible, eliminate their use throughout production.

Sustainable materials

Expanding our use of environmentally preferred materials as new technologies become commercially viable will allow us to integrate these materials into our products. These materials have added environmental benefits that do not compromise the aesthetic, quality and performance that our consumers expect from Nike products. This allows us to leverage our purchase volumes with our suppliers, making environmentally preferred material options more cost effective. It also encourages our suppliers to develop more sustainable materials because they know there will be a market.

Recycled polyester

Recycled polyester is a fiber derived from reprocessed, post-industrial and/or post-consumer polyester waste materials such as plastic bottles, consumer textile products, uniforms and textile scraps. We have begun using recycled polyester in many of products in our All Conditions Gear outdoor line as well as various active apparel items.

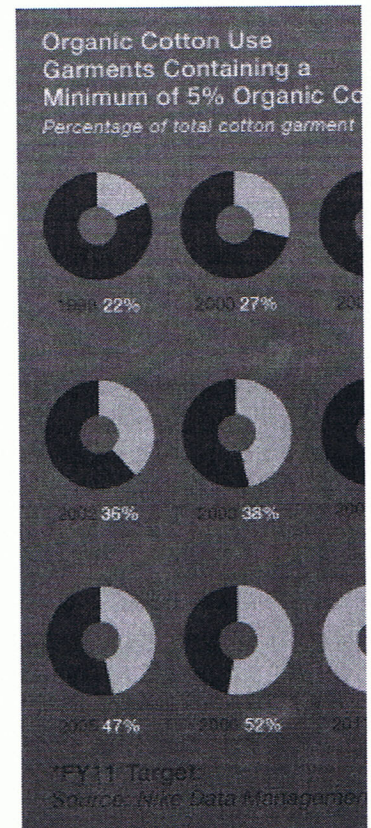
Leather

Nike is the one of the world's largest users of white leather. Waste from cutting leather constitutes one of our largest footwear solid waste streams. Recognizing our impact in the athletic footwear industry, we collaborated with tanners and other footwear brands and retailers to found the Leather Working Group (LWG) in 2006. The LWG developed a protocol to assess the environmental compliance and stewardship practices of leather tanneries, and to promote best practices in the industry. By assessing tanners against this protocol, we will be able to identify those that meet our threshold for environmentally preferred leather suppliers. The protocol was peer reviewed in 2006 and will be launched in FY07. The LWG is facilitated by BLC Leather Tech.

Organic cotton

Nike's long-term goal for organic cotton is for every cotton-containing apparel product to contain at least 5 percent organic cotton by 2011. We are currently on track to achieve this ambitious goal. Fifty-two percent of our cotton-containing products produced in FY06 contained a minimum of 5 percent organic cotton.

Other materials



Polyvinyl chloride (PVC)

Known as vinyl, PVC has become ubiquitous in the past 50 years, used in everything from packaging to flooring, toys, pipes, medical supplies, cars and sports equipment. Durable and inexpensive to make, PVC was the plastic of choice until recently. Over the last several years, PVC has received considerable attention because of a range of environmental issues related to its manufacturing and disposal.

In the late 1990s, we – controversially at the time – announced our policy to remove PVC from our product lines. Removing PVC has required great cooperation in our supply chain and discipline from our design and production teams. Nike has made real progress in this aim. Virtually all of Nike-branded product is now PVC free. At the end of FY06, a few remaining product types still use PVC with performance, difficulty of use and price being the primary obstacles in the implementation of suitable alternatives. We continue to work with our supply chain and with ink suppliers and printers to find and implement attractive and durable alternatives to PVC.