Resolved: Shareholders request that Nike Inc. (“Nike”) publish, at reasonable expense and excluding proprietary information, annual reporting assessing the Company’s diversity and inclusion efforts. At a minimum reporting should include:

- the Board process for assessing the effectiveness of its diversity, equity, and inclusion programs,
- the Board’s assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment, and retention of protected classes of employees.

Supporting Statement: Investors seek quantitative, comparable data to understand the effectiveness of diversity, equity, and inclusion programs within and between companies.

Whereas: Studies have pointed to the corporate benefits of a diverse workforce, including:

- Companies with the strongest racial and ethnic diversity are 35 percent more likely to have financial returns above industry medians.
- Companies in the top quartile for gender diversity are 21 percent more likely to outperform on profitability and 27 percent more likely to have superior value creation.
- A study of the S&P 500 found that the most diverse companies had an average annual five year stock return 5.8 percent higher than the least-diverse companies.

Nike has extensive brand advertising that speaks to race and justice issues, including featuring Colin Kaepernick in advertising campaigns, and an advertisement which states, “Don’t pretend there’s not a problem in America. Don’t turn your back on racism.”

In the wake of George Floyd’s death, Nike’s CEO, John Donahoe, wrote “... our most important priority is to get our own house in order ... Nike needs to be better than society as a whole. Our aspiration is to be a leader. While we have made some progress over the past couple of years, we have a long way to go.”

Mr. Donahoe also said, “Our brand would not be what it is today without the powerful contributions of Black athletes and Black culture.”

Yet, despite these statements and goals, Nike has faced damaging allegations of harassment and discrimination on the basis of gender, race, and gender identity. Reports of a toxic workplace have continued even after allegations of sexual harassment
and gender discrimination led to significant turnover of male executives in 2018. In July 2020, an anonymous employee wrote to Business Insider accusing the company of “performative allyship” and said of Black employees at Nike: “Many have been suffering in silence, alone. Many have been laid off due to retaliation. Many feel like they should just shut up and work...”

Nike provides insufficient quantitative data for investors to determine the effectiveness of its human capital management program as it relates to workplace diversity. Unlike 71 percent of S&P 100 companies, Nike does not release its EEO-1 form, the best practice for sharing workforce composition. Nor does the company release meaningful data related to the hiring, retention, or promotion of its diverse employees.