

NOTICE OF EXEMPT SOLICITATION

NAME OF REGISTRANT: NIKE, INC.

NAME OF PERSONS RELYING ON EXEMPTION: Arjuna Capital

ADDRESS OF PERSON RELYING ON EXEMPTION: 1 Elm St. Manchester, MA 01944

WRITTEN MATERIALS: The attached written materials are submitted pursuant to Rule 14a-6(g)(1) (the “Rule”) promulgated under the Securities Exchange Act of 1934,* in connection with a proxy proposal to be voted on at the Registrant’s 2021 Annual Meeting. *Submission is not required of this filer under the terms of the Rule but is made voluntarily by the proponent in the interest of public disclosure and consideration of these important issues.

August 25th, 2021

Dear Nike Inc. Shareholders,

We are writing to urge you to **VOTE “FOR” PROPOSAL 6** on the proxy card, which asks the Company to report on median pay gaps across race and gender. The Proposal makes the following request:

Resolved: Shareholders request Nike report on *median* pay gaps across race and gender, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.

Racial/gender pay gaps are defined as the difference between non-minority and minority/male and female *median* earnings expressed as a percentage of non-minority/male earnings (Wikipedia/OECD, respectively).

We believe shareholders should vote “FOR” the Proposal for the following reasons:

1. **Pay gaps are literally defined as the median pay of minorities compared to non-minorities and the median pay of women compared to men. Median pay is considered *the* valid way of measuring gender pay inequity by the United States Census Bureau, Department of Labor, OECD, and International Labor Organization.** Therefore, that is the data investors seek. While diversity data and statistically-adjusted pay audits represent progress, that data is not a stand in for pay gap disclosures. The definition is clear.
2. **Best practice pay equity reporting consists of two parts:**
 1. **unadjusted pay gaps: median gaps assess how jobs are distributed by race and gender, and which groups hold the high-paying jobs – the data requested in this proposal.**
 - i. The median pay of minorities/women working full time versus non-minorities/ men working full time. This is *literally* the definition of the pay gap.
 - ii. Black workers in the U.S. earn 75.6 cents on the dollar versus white workers.
 - iii. Women in the U.S. earn 82 cents on the dollar versus men on this basis.
 - iv. United Kingdom and Ireland-based companies are mandated to report median pay.

2. ***adjusted gaps***, a statistical assessment of pay between minorities/non-minorities, women/men, performing similar roles - data we previously pressed Nike to report in 2017.

- i. What minorities and women are paid versus their direct peers, statistically adjusted for factors such as job, seniority, and geography.
- ii. Glassdoor reports there is a 4.9% adjusted gender pay gap in the United States.¹
- iii. United States companies prefer to report on this basis as the gaps are smaller and easier to remedy.

3. **Median pay gap disclosures can improve performance and provide a baseline to investors for measuring progress moving forward.**

1. A 2019 study cited in the Harvard Business Review found that wage transparency, in countries that mandate it, narrowed the *median* wage gap. Refinitive reports companies reporting no gender pay gaps outperformed companies reporting negative pay gaps from 2016-2021, with a 58.16% spread for their FTSE All-World portfolio and a 135.92% spread for their FTSE North American portfolio.
2. Citigroup was the first US company to publish its global gender and US minority pay gap in January 2019. It has since shrunk those gaps 3 and 1 points respectively. Large company peers like Adobe, Mastercard, Starbucks, Bank of New York Mellon, Wyndham Hotels and Resorts, and Pfizer have since adopted the same best practice disclosures for not just U.K., but U.S. and global operations.
3. There are many ways to shrink racial/gender pay gaps at a company – improving diversity, conducting statistically-adjusted pay audits, and advancing women/minorities into higher-paying roles and positions of leadership – but **the only benchmark to measure whether the pay gap is actually shrinking from these various levers is to publish the pay gap itself.**

Board Opposition Statement

1. **Representation data and statistically-adjusted pay numbers are not a substitute for median pay gap reporting.**

The Board contends the disclosure is unnecessary, arguing statistically-adjusted pay numbers and representation data are adequate. However, median pay gaps provide the whole story as to whether minorities/women are holding as many high-paying jobs as non-minorities/men. This metric allows investors to assess equal opportunity to high-paying jobs within the company. Diversity data and statistically-adjusted pay numbers do not provide this comprehensive information.

2. **Median pay gaps are a meaningful and accurate metric for shareholders.**

The Board argues that this data would not be valuable to shareholders as it does not consider differences such as employees' performance, experience, tenure, or location. While statistically-adjusted pay numbers that do incorporate that information are an important first step, median pay gaps will assess what demographics are holding the high-paying jobs, and encourage providing greater opportunities to minorities and women. Greater diversity in leadership can, in turn, increase shareholder value.

¹ <https://www.glassdoor.com/research/app/uploads/sites/2/2019/03/Gender-Pay-Gap-2019-Research-Report-1.pdf>

Additionally, with major U.S. and international companies releasing median pay gap data, Nike does not provide a metric that allows shareholders to compare its performance to peers. In the U.S., peers reporting this data include Adobe, Mastercard, Citibank, Bank of New York Mellon, Wyndham Resorts and Hotels, and Pfizer, not to mention U.K. peers who publish this data widely.

The Proposal's supporting statement also affords a great deal of flexibility for the geographies on which the company is being asked to report, to mitigate concerns around location differences, asking for:

- percentage median gender pay gap, globally and/or by country, where appropriate
- percentage median racial/minority/ethnicity pay gap, US and/or by country, where appropriate

3. **Median Pay Disclosure will hold Nike accountable to its Diversity, Equity, and Inclusion Goals.**

Nike describes its current efforts in diversity, equity, and inclusion to justify a lack of necessity in releasing median pay data. While these DEI initiatives are important, median pay disclosure will complement these efforts by providing a statistic that allows Nike to measure its progress in DEI goals. This data will also provide important information to shareholders to hold the company accountable to its stated goals. Nike's refusal to publish unadjusted pay gap data is reflective of a lack of transparency and accountability to investors, not to mention employees.

Conclusion

For all the reasons provided above, we strongly urge you to support the Proposal. Pay transparency has been shown to lead to narrower pay gaps and improved diversity of companies that disclose them, which we believe is in the long-term best interest of shareholders.

Please contact Natasha Lamb at natasha@arjuna-capital.com for additional information.

Sincerely,



Natasha Lamb
Arjuna Capital

This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card. Arjuna Capital is not able to vote your proxies, nor does this communication contemplate such an event. The proponent urges shareholders to vote for Proxy Item 6 following the instruction provided on the management's proxy mailing.

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