



NIKE, INC.

CASE SUMMARY

Just Doing it One Step at a Time

In June 1997, Nike invited The Natural Step to host a one-day introductory workshop for its employees. We made the case for their adopting a more concerted approach to environmental sustainability across their operations, which in turn would give their brand a much-needed shot in the arm.

Starting with Science

We supplied Nike with a scientifically proven blueprint for sustainability that could be applied to any country and cultural setting, using language that employees throughout the organization and across the globe could share.

Nike took this lesson to heart and sent out a wide network of experts to do their homework. By 1998, the company had adopted The Natural Step's sustainability principles and approach and was spreading the word by investing in learning programs and forums throughout the organization. This gave rise to the creation of 65 pilot projects and initiatives that focused on sustainable product design and operational efficiencies.

Measuring its Footprint

On our counsel, Nike also formed a team to measure the company's global footprint by examining the supply chain – from packaging to transportation – as a next step toward creating sustainability benchmarks, tracking results and reducing harmful impacts worldwide.

Since making sustainability a company-wide priority, Nike has made inroads in recuperating its reputation and reduced its operating costs and risks. Here are some the ways they're doing it:

Good for Business

In the past five years, Nike has adopted the following:

- 1 Shoeboxes that are 10 percent lighter, saving 4,000 tons of raw materials and \$1.6 million annually.
- 1 Water-based cements in 90 percent of its shoes that have helped the company save over 1.6 million gallons of solvents a year — the equivalent of more than 32,000 barrels of oil.
- 1 Organic cotton in its apparel to help reduce the industrial use of high levels of pesticides and fertilizers.
- 1 Designs that incorporate sustainability, like the Air Essential III, a walking shoe made with minimal toxic chemicals and waste.

Good for People

- 1 The creation of 17 sustainability-oriented professional positions in the United States and Asia for its footwear, apparel and equipment units.
- 1 A commuting program to encourage Nike employees in the United States to take public transit, bike and carpool, which resulted in 14,137 gallons of gas saved and 11,310 pounds of pollution prevented in 2000.

Good for the Environment

The Natural Step urged Nike to think big — and go long. The company responded by identifying the following three sustainability-minded goals to meet by the year 2020:

1. Eliminate the concept of waste in product design, use of materials, energy, and any other resources that cannot be readily recycled or reabsorbed back into nature;
2. Eliminate all substances that are known or suspected to be harmful;
3. Close the loop and take full responsibility for products at all stages of their development.

* An update to this case summary is pending due to communication restrictions Nike is facing as a result of the *Kasky v. Nike* case that is currently being heard by the US Supreme Court.