WHEREAS: Plastic, with a lifecycle social cost at least ten times its market price, actively threatens the world's oceans, wildlife, and people.[1] The growing scale and impact of global plastic pollution has elevated the issue to crisis levels.[2] 193 United Nations member states are currently negotiating a global treaty to end plastic pollution, which will have profound impacts on the plastics value chain.[3]

Textiles provide the third-largest market for plastic, consuming roughly 14% of total plastic production.[4] Synthetic plastic fibers comprise 63% of global fiber production, equal to 80 million tons.[5] During production and wear, small synthetic fibers called plastic microfibers are shed from garments. As a result, an estimated 200,000 to 500,000 tons of plastic microfibers from textiles enter the world's oceans annually.[6] The chronic release of plastic microfibers causes the textile industry to be one of the largest contributors to the growing microplastic pollution problem.

Plastic microfibers have been detected in every major ocean and freshwater environment; remote polar regions, seabeds, and pristine mountaintops; indoor air; tap water, bottled water and beverages; and foods. Plastic microfibers are particularly dangerous due to their propensity to absorb toxins, such as dioxins, pesticides, and heavy metals from water, potentially transferring them from the food web to human diets.

The European Union Zero Pollution Action Plan has a goal to reduce microplastics released into the environment by 30% by 2030, and accompanying regulations are expected soon.[7] To address the harms associated with microplastic pollution and reduce transition costs in the face of emerging regulation, Nike needs to develop timebound actions and goals to reduce microplastic shedding from its products. Such actions might include disclosing information about how the Company is testing products for fiber shedding and developing customer guidance about which products have the highest shedding rates. Nike could also ensure that the manufacturing facilities it utilizes have robust wastewater management systems and optimized effluent treatment processes,

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[1] https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf, p.15
[2] https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution
[3] https://www.un.org/en/climatechange/nations-agree-end-plastic-pollution
[4] https://www.regulations.gov/document/NOAA-NOS-2022-0061-0002, p.1
[5] https://www.regulations.gov/document/NOAA-NOS-2022-0061-0002, p.1
[6] https://www.eea.europa.eu/publications/microplastics-from-textiles-towards-a
[7] https://www.ropesgray.com/en/insights/alerts/2024/02/macro-regulation-of-microplastics

such as ultrafiltration and reverse osmosis, which can remove and trap nearly all plastic microfibers shed during production.[8]

Nike lags its peers in addressing microplastics in its products. For example, Under Armour has committed to produce 75% of fabrics from low-shed materials by 2030.[9] Taking meaningful action would help position Nike to compete for consumers increasingly concerned about plastic microfiber shedding from clothing, while reducing the risk of being caught unprepared for microplastics regulations.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding proprietary information, describing opportunities for Nike to reduce microfiber pollution from its garments.

SUPPORTING STATEMENT: The report should, at Board discretion:

- Evaluate ways to make its fiber shedding data publicly available, including to consumers;
- Discuss existing, planned, or available manufacturing treatment technologies to minimize fiber shedding, such as ultrafiltration and reverse osmosis; and
- Discuss planned capital expenditures to control microfiber shedding.

[8] https://link.springer.com/article/10.1007/s11356-017-0528-7
[9] https://about.underarmour.com/en/stories/2023/12/under-armour-s-breakthrough-fiber-shed-test-method-now-available.html