Regulation Proliferation (US)

Plus Multiple Countries
Plus Multiple States
Plus Some Cities….

Source: http://www.epa.gov/oppt/greenengineering/pubs/ch3_summary.html
## Relationships in the Supply Chain

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Factories</th>
<th>Distribution and Retail</th>
<th>Consumers</th>
</tr>
</thead>
</table>

Relationships in the Supply Chain

Suppliers  Factories  Distribution and Retail  Consumer
Relationships in the Supply Chain

Factories   Distribution and Retail   Consumer

Suppliers

Sources   Workers
Relationships in the Supply Chain

- Factories
- Distribution and Retail
- Consumers
- Suppliers
- Communities
- Sources
- Workers
- Use and Care
- End of Life
Relationships in the Supply Chain

- Factories
- Distribution and Retail
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- End of Life

Direct Relationships
Relationships in the Supply Chain

- Consumer & Chemistry Engagement
- Direct Relationships
- Consumer & Environmental Protection

Complex – But Not Always Sophisticated
Relationships in the Supply Chain

A Challenge to Green
Nike Product Chemistry Approach

Prescriptive:
• Restrictions

Proactive:
• Internal/External Competition

Collaborative:
• AFIRM (apparel and footwear international RSL mgmt)
• AAFA (american apparel and footwear assn)
• GC3
• GreenXchange
What is the Nike RSL?

Chemical Restrictions:
- Legislated
- Nike (safety/sustainability)

Material Policies:
- Green Chemistry Guidance
- Antimicrobial
- Scented Products
- Nanotechnology
- Animal Skins

The RSL applies to:
- Every material and every product
- Testing is a part of verification
Nike North Stars:

- Closing the Loop
- Healthier (Greener) Chemistry
- Climate Stability
- Water Stewardship
- Thriving Communities

Considered Index:

Material Assessment

Product Scoring
Green Rubber – V1
Proactive Engagement

TRADITIONAL RUBBER

- Number of “Red” Chemicals: 5
- “Red” Chemicals by weight: 12%

GREENER RUBBER (EPR)

- Number of “Red” Chemicals: 1
- “Red” Chemicals by weight: 1%

EFFECT:
- REDUCED TOXICS
- 96% FEWER TARGETED TOXICS (3,000 METRIC TONS/YR)
Green Rubber - V2
Proactive Engagement

ZINC REDUCTION
~80% ~95%

Standard Formula
Total Zn
Leachable Zn
Nike Footwear VOC Reduction

Proactive Engagement

- ~15 grams (FY06)

95% Reduction of VOCs
Textile Industry Opportunities for Green Chemistry

Greater Protection:
- Consumers
- Workers
- Environment

Consistency:
- Approach
  - (scientific and proactive)
- State to State
- Country to Country