

PRESENTATION DESIGN WORK

SAMPLES OF EACH PROJECT INCLUDED.
FOR INTERNAL USE ONLY.

LAUNCH

FY16/17 UPDATE

**INNOVATION SCALE & PARTNERSHIPS ROLE
CURATING OUR NETWORK
TO CATALYZE ACTION**

<p>NETWORK ACTIVATION</p> <p>CULTIVATE EXTERNAL RELATIONSHIPS TO DEVELOP NETWORKS CREATE COLLECTIVE UNDERSTANDING WIDEN THE BUILDCERS MOBILIZE ACTION</p>	<p>COLLECTIVE ACTION</p> <p>USE INDUSTRY COLLABORATION TO: SHAPE STANDARDS (TO INFORM REGULATION) SHIFT INDUSTRY POSITIONS AGGREGATE DEMAND CO-CREATE NEW INFRASTRUCTURE</p>	<p>STRATEGIC PARTNERSHIPS</p> <p>CROSS-IND. BUSINESS DEVELOPMENT TO: SECURE TECHNOLOGY UNLOCK FUNDING ACCELERATE ADOPTION EVOLVE BUSINESS MODELS</p>	<p>INTEGRATED EXECUTION</p> <p>COORDINATE ACROSS ADJUNCT ACTIVE CHAIRS AGENTS ENABLE STRATEGIC STORYTELLING INFLUENCE NEW NORMS CATALYZE DEMAND</p>
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**DRIVING A MOVEMENT
REMAKE**

LAUNCH IS A PLATFORM TO SUPPORT THE STRATEGY

LAUNCH WAS FOUNDED IN 2010 BY NASA, NIKE, USAID, AND THE US DEPARTMENT OF STATE TO IDENTIFY AND ACCELERATE BREAKTHROUGH IDEAS FOR A MORE SUSTAINABLE WORLD

IN 2014, LAUNCH NORDIC BEGAN AS A COLLABORATION BETWEEN IKEA, NOVOZYMES, KVADRAT, DANISH FOREIGN MINISTRY, SUPPORTED BY NIKE & THE OTHER LAUNCH PARTNERS.

LAUNCH BY THE NUMBERS

- 225** INNOVATIONS REVIEWED AND VETTED BY LAUNCH EXPERTS.
- 80** INNOVATORS CHOSEN AS FINALISTS, WHO HAVE RECEIVED LAUNCH SUPPORT OVER 8 CHALLENGE CYCLES.
- 4** MATERIALS CHALLENGES OVER THE PAST 2 YEARS.
2013 FABRICS
2014 TEXTILES*
2015 GREEN CHEMISTRY
2015 SUSTAINABLE MATERIALS*
- 1** REGIONAL LAUNCH SUPPORTED & FUNDED BY PARTNERS IN THE NORDIC REGION.
IKEA
NOVOZYMES
KVADRAT
THE DANISH MINISTRY OF THE ENVIRONMENT
SGF
- 2%** OPERATING BUDGET COVERED BY NIKE IN FY16.
- 98%** IS COVERED BY THE OTHER LAUNCH PARTNERS.

**THE NEW LAUNCH MODEL
LEAD BY A PARTNER
WITH SUPPORTING ORGANIZATIONS**

SYSTEM 1
E.G. CLOSED LOOP
IKEA

SYSTEM 2
E.G. CHEMISTRY
NIKE

SYSTEM 3
E.G. SUSTAINABLE FOOD
USAID

12-MONTH PLAN

- MAY 3** LAUNCH BIG THINK AT CONVERSE WITH ACS EAST
- AUGUST 9** LAUNCH CHALLENGE ANNOUNCED
- OCTOBER 31** CHALLENGE CLOSES VETTING BEGINS; 10 FINALISTS
- JANUARY** LAUNCH FORUM AT PURLEY
- JUNE 15** ACS GREEN CHEMISTRY CONFERENCE IN PORTLAND CYRUS KEYNOTE & LUNCH EVENT
- AUGUST 22** ACS ANNUAL CONFERENCE
- SEPTEMBER 20** VERGE CONFERENCE CYRUS SPEAKING
- FALL** FB LIVE/ REDDIT SCIENCE NEW WAYS OF ENGAGEMENT
- NOVEMBER** LAUNCH NORDIC FORUM FOCUS ON CLOSED LOOP

NETWORK BUILDING & ENGAGEMENT

DEMONSTRATING COLLABORATION

FAST COMPANY
THE WORLD'S MOST INNOVATIVE COMPANIES 2014
7, 10E

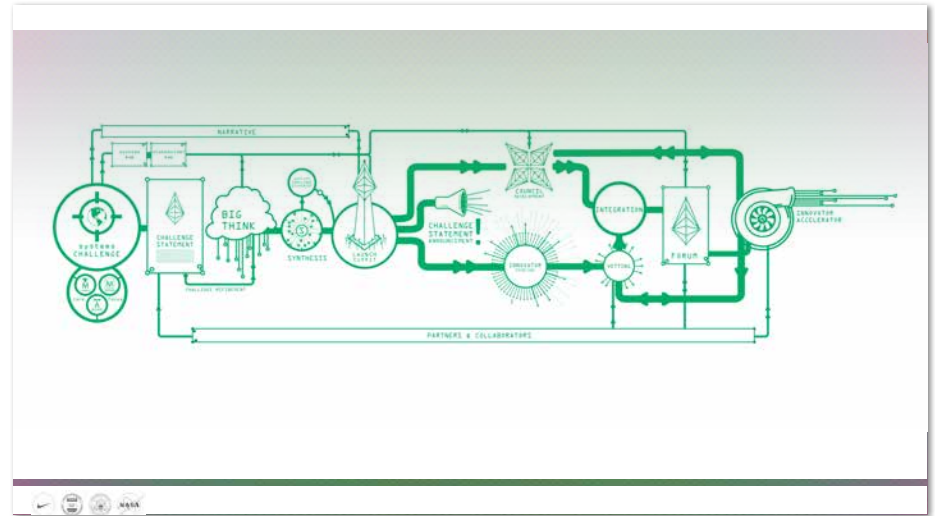
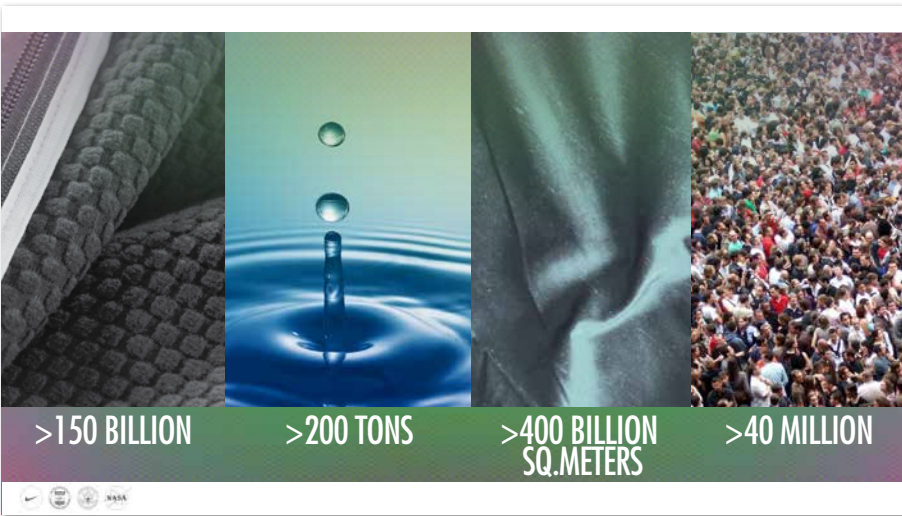
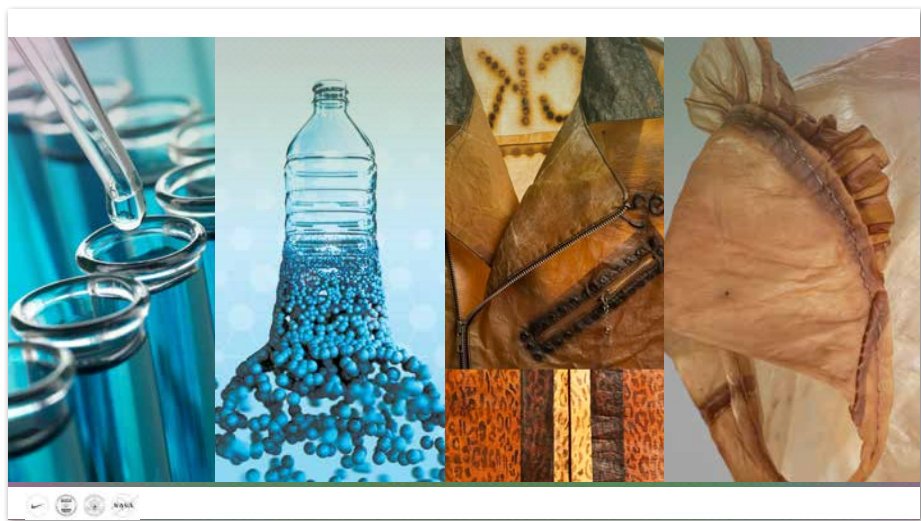
Harvard Business Review
10 Sustainable Business Stories
Top Important To Know
10 Systems innovation starts in the year 2012, 2013, 2014, and the Department of State support their collaboration.

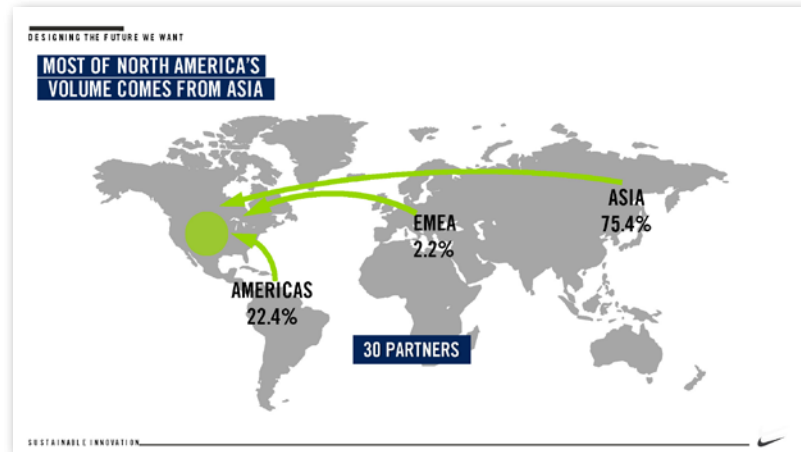
The Washington Post
Top 25 Innovations in Government
Among the projects that made the list is a public-private collaboration between NIKE, USAID, the State Department and government company Nike closed Launch.

the guardian
LAUNCH surfaces 10 innovations that could change the world

WE COLLABORATE WITH OTHER ORGANIZATIONS TO DRIVE MATERIAL INNOVATIONS, INCLUDING LAUNCH, AN OPEN INNOVATION PLATFORM DESIGNED TO UNCOVER BREAKTHROUGH IDEAS IN SUSTAINABLE INNOVATION, DEVELOPED THROUGH A STRATEGIC PARTNERSHIP WITH NASA, THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE U.S. DEPARTMENT OF STATE.

- FY14/15 NIKE SUSTAINABLE BUSINESS REPORT





STAKEHOLDER MEETING
ENGAGEMENT & WELLBEING SURVEY
JUNE 2016

OVERVIEW

MEETING PURPOSE

- UNDERSTAND SURVEY CONTENT, RATIONALE ON DECISIONS & USE
- CONTRIBUTE INSIGHTS IN KEY AREAS
- CREATE CONFIDENCE & UNDERSTANDING ON SURVEYING PURPOSE AND INTENTION

EQUITABLE MANUFACTURING MODULES

- 1 DATA AND FINANCIAL MODELING
- 2 LEAN & 5S
- 3 MANAGEMENT SYSTEMS
- 4 COMPENSATION & BENEFITS
- 5 NEW VENTURES

EQUITABLE MANUFACTURING

ENGAGEMENT & PRODUCTIVITY

- PERFORMANCE**
KOMATSU CONSTRUCTION & MINING MANUFACTURER WENT FROM 33% TO 70% ENGAGED WORKFORCE WITH 9.4% INCREASE IN PLANT EFFICIENCY.
- GROWTH**
ENGAGING COMPANIES OUTPERFORM THE AVERAGE ON REVENUE GROWTH BY 6% & TOTAL SHAREHOLDER RETURN BY 6%.
- COSTS**
DISENGAGEMENT ANNUALLY COSTS US FIRMS US BETWEEN \$450 AND \$550 BILLION.

GALLUP FOUND:
ENGAGED EMPLOYEES ARE 21% MORE PRODUCTIVE THAN DISENGAGED EMPLOYEES

GAPS EWB SURVEY CREATED TO UNDERSTAND ENGAGEMENT AT TEAM MEMBER LEVEL IN MANUFACTURING FACTORIES & CREATE CLEAR LINKS TO ACTION PLANNING.

SURVEY CATEGORIES

LEADERSHIP
COMPANY GOALS & OBJECTIVES
COMMUNICATION - MANAGEMENT
HR: POLICIES
HR: COMP + BENS
WORKFORCE PLANNING
SAFETY
SUPERVISORY BEHAVIOR

PEOPLE
SKILLS DEVELOPMENT
SOCIAL DIALOGUE
COMMUNICATION - TEAM WORKER
SERVICES FOR HEALTHY WORKERS
STRESS MANAGEMENT

PROCESS
PROCESS, MATERIALS, PLANNING
JOB PREPARATION
DATA MANAGEMENT & INTERPRETATION

EWB SURVEY
AGILITY
TRANSPARENCY
BETTER PRODUCT

APPROACH

- 17 FACTORIES**
IN-FACTORY PILOTS
NEW VENTURES
LEAN 2.0
- 4 COUNTRIES**
CHINA
INDONESIA
VIETNAM
THAILAND
- 30,251 WORKERS**
21,636 TEAM MEMBERS
5,435 TEAM LEADERS
3,180 GROUP LEADERS
- 3 MECHANISMS**
SMARTPHONE
INTERACTIVE VOICE RECOGNITION
TABLET

GOALS

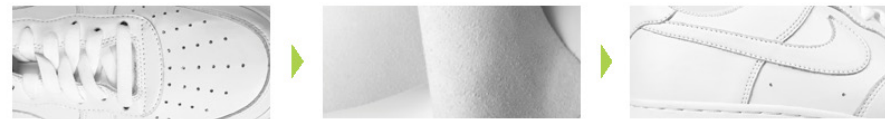
- DEFINE QUESTIONS, MECHANISMS & CADENCE THAT ENABLE WORKERS TO DRIVE BUSINESS VALUE CREATION IN FACTORIES.
- DEFINE APPROPRIATE SCORING & ROLL UP INTO NIKE'S METRICS TO MOTIVATE THE RIGHT BEHAVIOR.
- ENABLE FACTORIES TO USE THE INFORMATION EASILY IN THEIR LEAN 2.0 ACTION PLANNING.

LEAN MANAGEMENT SYSTEM

ENABLERS

LEADERSHIP GM - VALUE STREAM MANAGER	PEOPLE GROUP LEADER - TEAM MEMBER	PROCESS
<ul style="list-style-type: none"> Leadership Development Lean Maturity Assessment Hochoo Kaizen Lean leadership development workshop Leader Standard work Human Resources Management Dig Structure - HRM, Lean, 180 People development Culture of Safety Comprehensive FSE Risk Analysis 	<ul style="list-style-type: none"> Standardization Short interval control Standardized work/job rotation training/job hazard analysis SS Improvement Practical problem solving Kaizen - production and wellbeing issues Suggestion system Quality/Safety circles Development Skills development Engagement Swak-hing (DME) survey Supervisor skills assessment 	<ul style="list-style-type: none"> Reliability, Safety & Maintainability Shop floor TPM Compliance and mgt. program management Lean-machine design guidelines Machine deployment Lean Layout Design Lean design guidelines EIE optimization - 3P, VIM Data Management System Interlinked andon system Production line control system





CURRENT STATUS

TORO MATERIAL OPTIMIZED FOR GRAND SLAM
Hand is testing comparable or better.

WORK UNDER WAY TO OPTIMIZE GEN 2 TORO MATERIAL
Solving creasing, fraying and color bleed.
Estimated completion of technical work by December 2016.

BENEFITS OF TORO MATERIAL
Cost per sq. foot (initial indications).
Improved cutting and manufacturing efficiency
80% lower carbon impact than leather, lower environmental impact in general.
Roughly same duty treatment as leather.

PHASE II – MARKET TEST

TENNIS CLASSIC
Legacy model.
Currently selling 50 thousand pairs/year or season?
Mostly in white.
Developing manufacturing and logistics plan.

SUPPLY AGREEMENT
Current agreement provides Nike exclusivity until August 2018.
Toro has ample capacity to meet Phase II needs.
Will seek to extend exclusivity and IP rights in extension of existing agreement.

BEYOND PHASE II

OPTIMIZE TO OTHER TYPES OF LEATHER
PU-coated (cost).
Suede?

INNOVATE NEW PERFORMANCE ATTRIBUTES IN MATERIAL

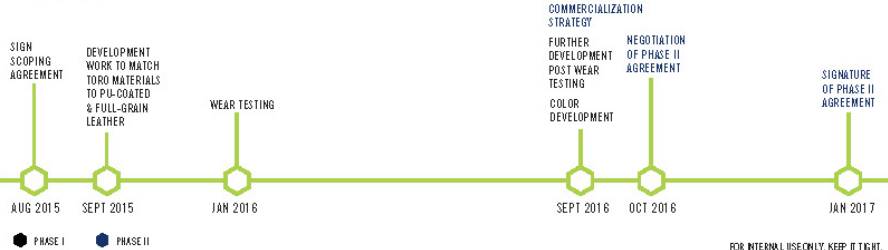
DEFINE SCALE & SCOPE OF ADOPTION
Models, volumes.
Non-branded drop-in replacement X unique.

DEFINE SOURCING STRATEGY IN LIGHT OF ABOVE
Arms-length supply.
Nike involvement in development and production.

PHASE II LEARNINGS WILL DETERMINE STRATEGY

ACTION NEEDED NOW: KEEP IT TIGHT
Toro bounded not to disclose any work with Nike.
Nike discipline.

TIMELINE



SUSTAINABLE INNOVATION

IS A POWERFUL ENGINE FOR GROWTH

Over the past 20 years, sustainable innovation has become a game-changer for NIKE. It's a catalyst for revolutionizing the way we do business and an innovation opportunity that's been integrated across our business policies, processes, and products. Today, we are innovating at scale to deliver better solutions that benefit athletes, the company, and the world.

BUSINESS OVERVIEW

NIKE, Inc. is the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities.

OUR AMBITION

DOUBLE OUR BUSINESS WITH HALF THE IMPACT

This is NIKE, Inc.'s moon shot – a single, bold and audacious innovation ambition guiding our future.

One that will fuel our creative design process, drive innovation to disrupt our own business model and propel us to rethink and transform our industry. We won't always know how or when we'll get there, but our strategies, our investments and our targets are being set with this ultimate objective in mind.

“WE KNOW THAT THE TRANSITION TO A LOW-CARBON GROWTH ECONOMY WILL BE DRIVEN BY A MIX OF BUSINESS INNOVATION, INDUSTRY, COLLABORATION & GOVERNMENT POLICIES.”

Mark Parker,
President & CEO,
NIKE, Inc.

FY20 TARGETS

To achieve our strategic aims, NIKE set new targets for FY20 spanning environmental impact areas and its entire supply chain, including:

- Eliminate footwear manufacturing waste to landfill or incineration.
- Source 100% of products from contract factories meeting the company's definition of sustainable.
- Create products that deliver maximum performance with minimum impact, seeking a 10% reduction in the average environmental footprint and an increased use of more sustainable materials overall.
- By the end of FY25, reach 100% renewable energy in owned or operated facilities and to encourage broader adoption of renewable energy as part of an effort to control absolute emissions.

OUR AIMS

1 MINI MIZE ENVIRONMENTAL FOOTPRINT

We have worked for over a decade to understand, track and reduce environmental impacts across our value chain. We work to reimagine the role of waste and renewable energy, disrupt how we think about our water footprint, and rethink chemistry. We're creating a new generation of products that achieve maximum athletic performance with minimal environmental impact.

2 TRANSFORM MANUFACTURING

We are not only transforming what products we make, but also how we make them through new technology and sustainable labor innovation. We are delivering performance products with contract factories that invest in placing highly skilled, engaged and valued workers at the center. We are working with fewer, better factories that are committed to taking this journey with us.

IN FY15, WE SHIPPED MORE THAN 1 BILLION UNITS OF SHOES, APPAREL & EQUIPMENT.

42 COUNTRIES WORKING

1M CONTRACT FACTORY WORKERS

692 CAPITAL EXPLORATION SITES

3 UNLEASH HUMAN POTENTIAL

Our mission — to bring inspiration and innovation to every athlete* in the world — drives us to encourage every person to reach their full potential, whether it's on the track, field or court, at work or home. We believe that investing in our employees and communities is essential to achieving our ambitious growth and innovation agenda. When it comes to NIKE employees, we know the best ideas often come from unexpected places and our individual differences bring new perspectives to the table — so we are committed to fostering a workplace that is increasingly diverse and inclusive. *If you have a body, you're an athlete.

WHAT WE'VE DONE

FY15 HIGHLIGHTS

REDUCED CARBON EMISSIONS

Shipped more than 1 billion units in FY15 and revenue increased 5.2% from FY11 through FY15, while CO2 emissions decreased by 18% per unit.

DROVE DOWN WASTE

In FY15, contract footwear factories diverted 92% of footwear factory waste.

IMPROVED PRODUCT SUSTAINABILITY

98% of new footwear scored silver or better on our product sustainability indexes, 80% of new apparel scored bronze or better and the use of environmentally preferred materials increased overall.

DELIVERED SUBSTANTIAL WATER REDUCTIONS

Increased water efficiency by 18% per unit in apparel materials dyeing and finishing and 43% per unit in footwear manufacturing, exceeding the goal of 15%.

WORKED WITH FEWER, BETTER CONTRACT FACTORIES

86% of contract factories demonstrated an investment in workers by achieving a minimum bronze rating on the Nike Manufacturing Sustainability Index, making progress toward 100% by FY20.

INVESTED IN COMMUNITIES

Invested a total of \$78.2 million in FY15, 1.9% of pre-tax income.

THE FUTURE WILL BE CIRCULAR

We envision a transition from linear to circular business models and a world that demands closed-loop products — designed with better materials, made with fewer resources and assembled to allow easy reuse in new products. At Nike, this will involve up-front product design, with materials reclaimed throughout the manufacturing process and at the end of a product's life. We are re-imagining waste streams as value streams, and already Nike Grind — a palette of premium recycled materials — is used in 71% of NIKE footwear and apparel products, in everything from yarns and trims, to soccer kits and basketball shoes.

OUR FOCUS ON RENEWABLE ENERGY

Globally, the challenge of climate change is pressing, with dramatic and lasting impacts. We are aligning our carbon emissions reduction efforts with scientific consensus to improve the quality and credibility of our targets. Our two-fold energy strategy focuses on strong efficiency measures and a transition to renewable sources. This involves pursuing innovation in low-impact materials, driving energy efficiency in our supply chain and advancing renewable energy in our owned or operated facilities.

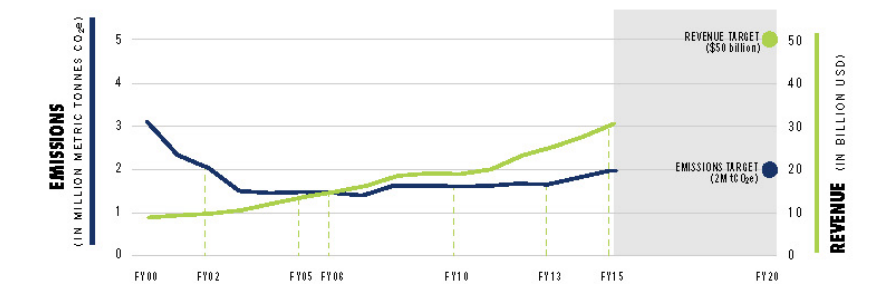
ACCELERATING TOWARD A LOW CARBON GROWTH ECONOMY

Climate change is a global issue that requires global solutions. Resource scarcity, fluctuations in the prices of raw materials, and disruptions to supply chains are real concerns for business. And, we understand the broader impact that climate-related issues have on the athletes we serve. We've worked for over 15 years to understand, track and decrease carbon across our value chain. Since 2008, our revenues have increased by 64% and we've limited our absolute emissions to only 20% growth across product manufacturing, logistics and our owned facilities.

NIKE uses carbon as a leading indicator to assess sustainability, but we recognize sustainability goes way beyond carbon. It means addressing all our impacts on the environment and the communities where we operate, supporting labor rights in supply chains, while continuing to serve the athlete and our business.

SUSTAINABILITY & GROWTH ARE COMPLEMENTARY

Nike has reduced absolute CO2e emissions while simultaneously increasing revenues since FY00.



about.nike.com/sustainable-innovation

Nike FY14-15 Sustainable Business Report (SBR)

NIKE, INC.

SUSTAINABLE COTTON

STEERING COMMITTEE UPDATE

MERRILEE AVILA & CHERYL MILLARD-NUTT
JULY 2016

CONTENT

WHERE WE LEFT OFF
PROGRESS TO DATE
Seasonal Results
Nike Footprint Reduced

BCI UPDATES
US Supply
New VBF

CASE STUDY
NEXT STEPS

100% SUSTAINABLE COTTON BY 2020

WHERE WE LEFT OFF

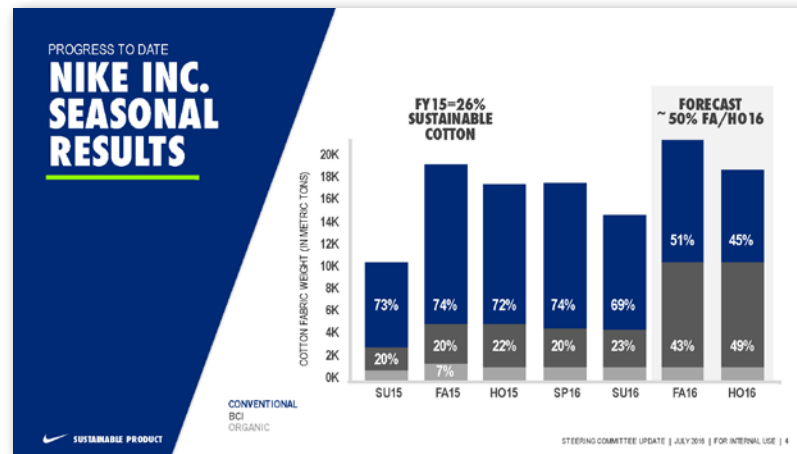
DEC 2015 STEERING COMMITTEE MEETING

MOMENTUM
Program on Track – progressing to Scale across Nike, Inc.
Procurement of Better Cotton in the US
Breaking 50% in FA16

CONTINUING TO EVOLVE
BCI's future financial structure – GIF committee
Internal reporting seeking new home

TARGET FORECAST
Nike, inc. 2020 forecast: >90% sustainable cotton

STEERING COMMITTEE UPDATE | JULY 2016 | FOR INTERNAL USE | 3



PROGRESS TO DATE

OUR 2015 FOOTPRINT REDUCTION

1.2 BILLION GALLONS OF WATER
1800 OLYMPIC SIZE SWIMMING POOLS

LBS OF PESTICIDES
INFO GOES HERE

BY CONVERTING 19% OF OUR CONVENTIONAL COTTON TO BETTER COTTON

BCI UPDATES

COST OF DOING BUSINESS

		2016	2017	2018	2019	2020
COTTON USAGE		>40%	>50%	>65%	>75%	>90%
T&E	ROAD2ZERO	80K	60K	50K	50K	50K
FARMER TRAINING CONTRIBUTION	TIDES FOUNDATION (SB&I)	180K	180K	0	0	0
BCI MEMBERSHIP & VOLUME BASED FEES (VBF)	GLOBAL SOURCING & MANUFACTURING	290K	520K	750K	950K	1.1M
NEW FEE STRUCTURE	GLOBAL SOURCING & MANUFACTURING			280K	750K	800K

STEERING COMMITTEE UPDATE | JULY 2016 | FOR INTERNAL USE | 4



MATERIALS PORTFOLIO

TOP VOLUME MATERIALS

TOP 4 MATERIALS + CHEMICAL MATERIALS: 76% SPEND & 98% (TBC) PRODUCT

Material	Value	Percentage
POLYESTER	\$1.6B	(27%)
COTTON	\$710M	(12%)
LEATHER	\$540M	(9%)
SYNTHETIC LEATHER	\$470M	(8%)

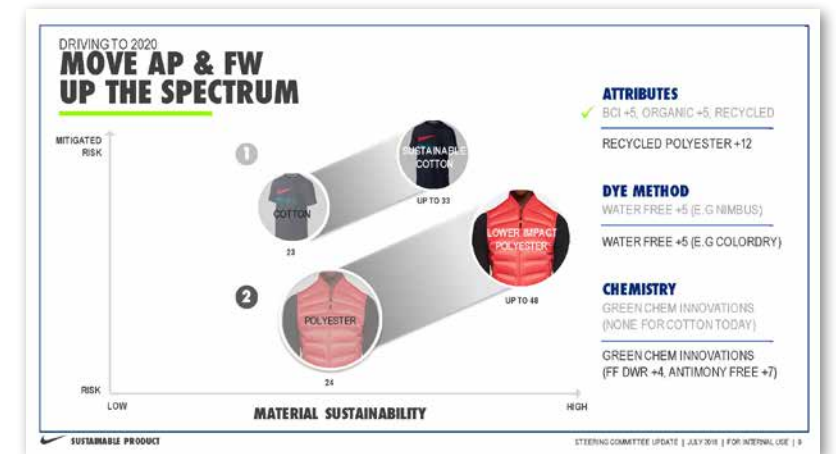
Other values: \$375M, \$370M, \$255M, \$170M

RECYCLED, ORGANIC, BIO DYEING CHEMICALS

SUPPLIER PROGRAMS

FY16 TOTAL MATERIAL SPEND PROVIDED BY FINANCE

STEERING COMMITTEE UPDATE | JULY 2016 | FOR INTERNAL USE | 8





AN AMAZING FY15

ONE TEAM FW ALIGNMENT	RIO KITS	TACO
RESEARCH DISCOVERIES	0.035% 435	AUTO GRADING
SNOWCAP	ODOR SOLUTION	PARTNERSHIP STRATEGY

FY15 SCORECARD – TOP 10

- IMPLEMENT 1-2 EMPLOYEE ENGAGEMENT SURVEY IMPROVEMENTS
- CREATE NXT LEADERSHIP COMMUNITY OF 'ONENESS'
- INTEGRATE THE DIGITAL STUDIO INTO NXT
- IMPROVE PROTOTYPING TURN AROUND FOR NXT PROJECTS BY 50%
- PARTNER WITH DIGITAL SPORT TO DEVELOP AND EXECUTE SMART PRODUCT STRATEGY
- PARTNER WITH AUTODESK TO CREATE 4D FIT DIGITAL FOOT CAPABILITY
- COORDINATE AND ALIGN MATERIALS INNOVATION ACROSS NXT AND PRODUCT CREATION
- INVEST IN AND DEVELOP OUR HI-PO U'S AND E'S
- DEVELOP MOONSHOT STRATEGY WITH CSD & MAN REV & ENABLE 2.0/3.0/4.0 TECHNOLOGIES
- CREATE NXT PMO OFFICE CAPABILITY

BUSINESS MODEL EVOLUTION

PRODUCTS SERVICES	PRODUCTS SERVICES	SERVICES PRODUCTS	PRODUCTS/SERVICES
NIKE TODAY	WHERE WE'RE GOING	DISRUPTIVE BUSINESS MODEL	THE FUTURE
	Z	UBER	APPLE

DEFINITIONS

	WOWs	PRE-WOW
SCOPE	Deliver long term revolutionary &/or disruptive innovation to the market, w/ value drops in short- and mid-term.	Yet to be finalized and fully defined, but are scoping out short, mid, and long-term strategy to deliver disruptive innovation to the market.
VISIBILITY	Nike, Inc.	Nike, Inc.
LEADERSHIP	Endorsed by NET Full-time project lead	Active sponsor
DEPENDENCIES	Multiple projects across multiple functions.	Multiple projects, likely to be cross-functional.
WORKSTREAMS	CUSTOMIZATION FACTORY OF THE FUTURE CONNECTED ATHLETE*	ATHLETICISM DTC REVOLUTION FOREVER FOOTWEAR (NEXUS)

ATHLETICISM PRE-WOW

NIKE IS THE ATHLETE'S* TRUSTED SOURCE FOR THE PRODUCT, CURATED GUIDANCE AND EXPERIENCES TO PURSUE THEIR BODY'S POTENTIAL.

SNP 2.0

LIMITLESS ATHLETE POTENTIAL

CREATE MAXIMUM IMPACT. Provoke an emotional response

SIMPLIFY WITHOUT COMPROMISE. Edit fearlessly to amplify beauty + performance

LOOK SHARP

FEEL STRONG

PLAY FIERCE

DEFY BELIEF. Translate insights into breakthroughs that re-draft boundaries and change the game

MAKE IT PERSONAL. Exceed expectations by amplifying individual preferences to fuel confidence

UNLEASH ATHLETICISM. Anticipate demands, eliminate distractions and empower the body in motion

LEAVE NOTHING TO CHANCE. Leverage innovation to deliver advantage from every element of a superior athletic ecosystem

A BALANCED ATTACK

IN PURSUIT OF 1:1 ADAPTIVE PRODUCT

DEFINE THE FUTURE
NEXT GEN EXPLORATION, ADVANCED MATERIALS, 1:1 ADAPTIVE

EXECUTE THE WOWs
CUSTOMIZATION

SERVE THE BUSINESS
INTEGRATED INNOVATION AT SCALE INNOVATION TRANSITION

FY16: \$80.1M / 62% FY16: \$25.0M / 19% FY16: \$25.0M / 19%

TIME

HOUSE 1: THE OLD HOME

VISION: MOST INNOVATIVE BRAND. PERIOD.

MISSION: CHANGE THE GAME FOR ATHLETES* AND REVOLUTIONIZE THE INDUSTRY

GOAL: CREATE THE FUTURE OF SUPER NATURAL PERFORMANCE

RESEARCH	INVENTION	CREATION	CULTURE
SCIENCE & ART OF THE ATHLETE	FUTURE ATHLETE ECOSYSTEMS	FUTURE OF MAKING	UNPARALLELED CULTURE
ATHLETE AND SPORT OBSESSED DATA-DRIVEN WORLD-CLASS MATERIALS RESEARCH DIGITAL TOOLS	BOLD EXPLORATION AND COLLABORATION BRILLIANT PRODUCT SOLUTIONS NORTH STAR, DESIGN, AND CATEGORY ALIGNED	REVOLUTIONIZE MANUFACTURING CRAFTSMANSHIP BETTER WORLD RAPID PROTOTYPING	ENTREPRENEURIAL COURAGE GROUP GENIUS FAIL FORWARD TOP TALENT

ENABLE GROWTH: PROVIDE NIKE W/ THE REVOLUTIONARY PRODUCTS IT NEEDS TO ACHIEVE \$50BN & 63% GPM

TEAM VALUES: ATHLETE* OBSESSED, ENTREPRENEURIAL, CREATIVE, COLLABORATIVE, ART OF STORYTELLING

NIKE SYSTEMS INNOVATION

FY14-16 | Nike Systems Innovation Strategy

NIKE, INC. GOALS THAT LEVERAGE OTHERS

WE WILL **CATALYZE INNOVATION** TO MOBILIZE THE MARKET CONDITIONS NEEDED

MATERIALS	TOXICS	LABOR	CLIMATE	WASTE
Create a sustainable palette of materials	Achieve zero toxic discharge in our supply chain (all tiers)	Create a more equitable & empowered labor system	Use 100% clean energy	Achieve zero landfill waste

FY14-16 | Nike Systems Innovation Strategy

SYSTEMS INNOVATION

VISION
Nike's material & manufacturing systems are decoupled from constrained resources

MISSION
Leverage external social & financial capital to take disruptive innovation to scale

COLLECTIVE ACTION	OPEN INNOVATION	CITIZEN MOBILIZATION
<p>Create the Market Conditions for NIKE to Win</p> <ul style="list-style-type: none"> By distributing the Cost & Risk of Compliance Harness the collective power of institutions to influence Industry Standards & Best Practices 	<p>Plug NIKE into Global Resources for Innovation to go Bigger, Faster, Cheaper</p> <ul style="list-style-type: none"> By catalyzing knowledge and capital investments Harness the wisdom of the crowds to source and create new solutions 	<p>Grow the Market for Sustainable Product Innovation</p> <ul style="list-style-type: none"> By leveraging key moments and markets Harness the power of influencers to drive market pull
INSTITUTIONS	INNOVATORS	INFLUENCERS

FOUNDATION
SYSTEMS INNOVATION PROCESS & TOOLS

FY14-16 | Nike Systems Innovation Strategy

CREATE VALUE BY DECOUPLING GROWTH FROM CONSTRAINED RESOURCES

DRIVE PROFITABLE GROWTH & REDUCE RISK THROUGH SUSTAINABLE PERFORMANCE INNOVATION:

- 1 Deliver a portfolio of sustainable products & materials that enhance athlete performance
- 2 Prototype & Scale sustainable sourcing & manufacturing models
- 3 Explore new sources of revenue not based on scarce resources

ENABLERS:

- 1 Create a Best-in-Class Sustainable Innovation Engine
- 2 Create a Network of Sustainable Innovation Resources & Partnerships
- 3 Create the Market Conditions for Disruptive Sustainable Innovation

WASTE Materials, Waste & Pattern Efficiency	WATER Clean & Conserved	TOXICS Zero Discharge of Hazardous Chemicals	ENERGY Carbon Emissions & Energy Efficiency	LABOR Lean, Green, Equitable, Empowered
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MAKE TODAY BETTER:

- 1 Hit Our Targets
- 2 Mitigate Risk
- 3 Lead the Industry
- 4 Tell our Story

FY14-16 | Nike Systems Innovation Strategy

WHEN IS LEVERAGING OTHERS KEY TO ACHIEVING OUR GOALS?

QUESTIONS THAT ACTIVATE SI CAPABILITIES...

- Initiative **requires resources beyond NIKE** to take to SCALE (e.g. financial, human, etc)
- Initiative has a **multitude of institutions and organizations** (internal and/or external) working together that would benefit from collective action
- The initiative/issue is **high on activist and citizen athlete agendas**, and requires coordinated communication and engagement
- Is there **pressure for or need for regulatory or policy** solutions
- Does this issue **require new & innovative solutions** that are outside of NIKE's core business value or expertise?

FY14-16 | Nike Systems Innovation Strategy

WASTE

DATE: 9/13/2013 OWNER: Jigna Wright

INITIATIVES	TARGET	ACTIVITIES	FY14 Q2	FY14 Q3	FY14 Q4	FY15 Q1	FY15 Q2	FY15 Q3	FY15 Q4	FY16 Q1-4	Status (10/1)
Water Program 2.0	Continuous improvement of wastewater quality enabling 82% and closed-loop water use	<ul style="list-style-type: none"> Streamline Water Program to focus on water-intensive facilities and high-risk chemical processes in footwear (e.g. tanning, dyeing, chemical finishes) Update Water Quality Guidelines and define key metrics, targets and timeline Align with external partners to catalyze system change 	X	X	X	X	X	X	X	X	●
H-2-Zero	15% efficiency improvement by FY15 in in-line footwear manufacturing	<ul style="list-style-type: none"> Reduce: implement low- and no-water processes (e.g. green phylon washing) Reuse and recycle: develop water treatment, reuse and recycling innovation pipeline Continue/elevate S&MS field team engagement at strategic supplier facilities Require effective metering and best practices adoption Expand scope to include water-intensive footwear material processing 	X	X	X	X	X	X	X	X	●
Water Independence	Protect manufacturing capacity from water-related disruption	<ul style="list-style-type: none"> Establish network of partners for scalability at shared material suppliers Evaluate % of production exposed to physical scarcity, regulatory risk or water-related disasters Prioritize high-risk regions for dissemination of H-2-Zero technologies Build factory awareness and capacity for risk assessment and adaptive management Leverage Water Program Ratings, SMSI and MSI scores to incentivize wastewater quality improvement, water use efficiency, and reduced water-related risk 	X	X	X	X	X	X	X	X	●

FY14-16 | Nike Systems Innovation Strategy

ALONE

WITH OTHERS

FY14-16 | Nike Systems Innovation Strategy

HOW DO WE LEVERAGE OTHERS?

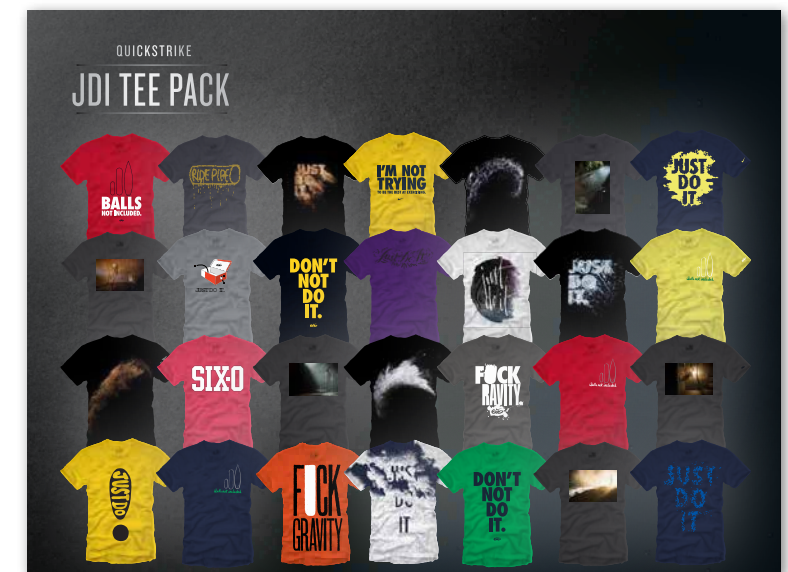
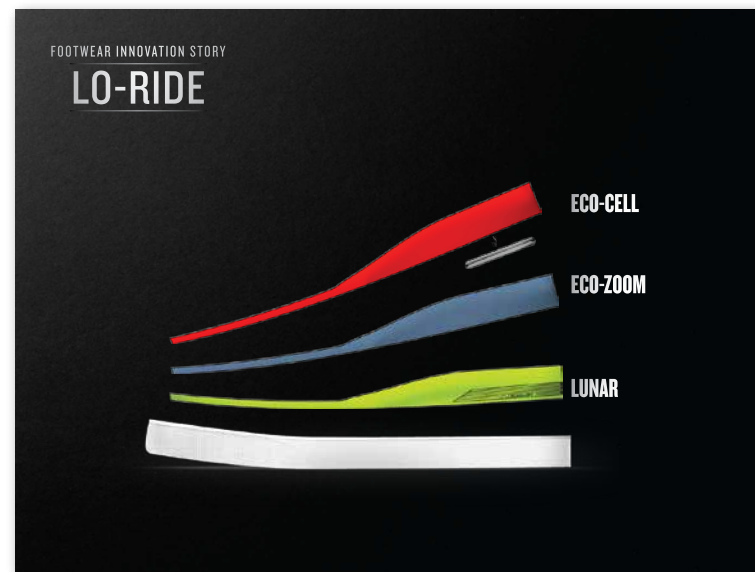
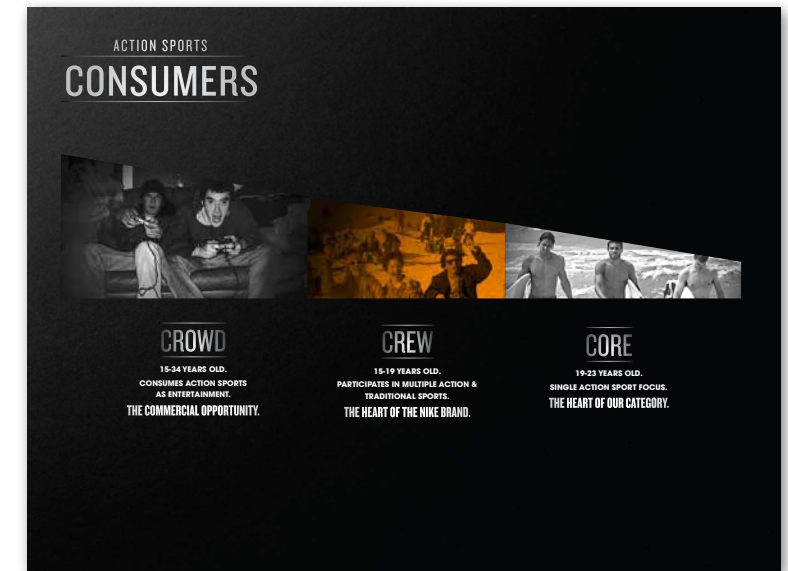
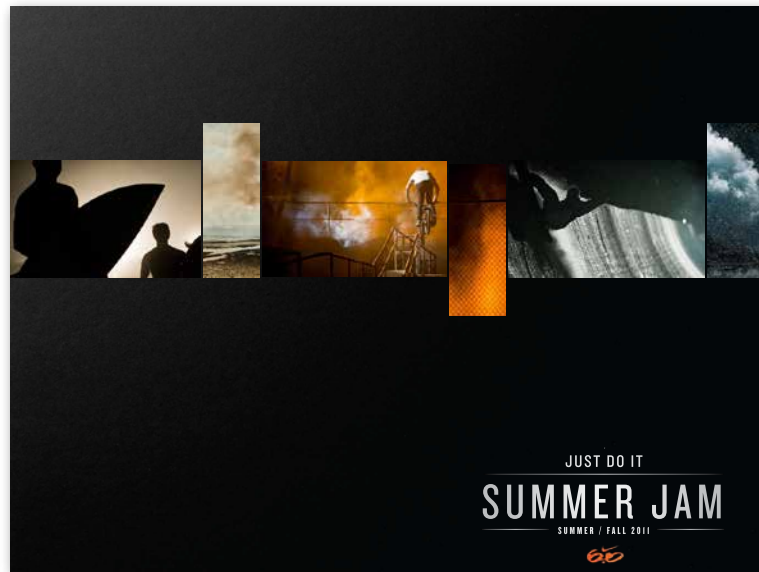
OPEN INNOVATION
LAUNCH
Collective Genius for a Better World

COLLECTIVE ACTION Sustainable Apparel Coalition	CITIZEN MOBILIZATION Making
CAPITAL LEVERAGE ELLEN MACARTHUR FOUNDATION Rethink the future	CREDIBILITY Harvard Business Review

FY14-16 | Nike Systems Innovation Strategy

TACTICS TO UNLOCK SYSTEMS BARRIERS

- USE DATA TRANSPARENCY TO SHIFT THE SYSTEM**
_ Data data data data shift shift shift shift
- CREATE PARTNERSHIPS THAT SAVE THE WORLD**
_ Partnership Partnership drive drive drive
- BUILD COALITIONS THAT DO CRAZY STUFF**
_ Coalitions Coalitions Coalitions of the willing willing willing ...
- ISSUE OPEN INNOVATION CHALLENGES AGAINST OUR BIGGEST PROBLEMS**
_ Open Innovation gets us gazillions of dollars, therefore solving our problems for free



FULL COURT
BOARDSHORTS

LOGO PACK
BACK TO SCHOOL

PHASE ONE STRATEGY
TUNE IN

- LIVE LAUNCH EVENTS CONNECTED VIRTUALLY AROUND THE WORLD
- GLOBAL MEDIA LAUNCH THROUGH TV, CINEMA AND DIGITAL

PHASE TWO STRATEGY
TAKE PART

NIKE.COM/JDI (JDI LANDING PAGE)

NIKE G.O.COM (GEO-SPECIFIC MICRO-SITE)

NIKE G.O. MOBILE (IOS, ANDROID, MOBILE WEB)

NIKE G.O. FACEBOOK (GEO-SPECIFIC FB TAB)

GRASSROOTS EVENTS

DIGITAL

JDI
TIMELINE

SP11			SU11			FALL			HO11		
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TUNE IN						TAKE PART					
DEW TOUR						LAUNCH		RE-ENERGIZE		AIR STYLE	
BUILD COMMUNITY SOCIAL MEDIA, MOBILE, VIRAL, ETC.						MEDIA LAUNCH DROPPED JDI AD CAMPAIGN		SUMMER ACTIVATION EVENTS AND GRASSROOTS		WINTER ACTIVATION EVENTS AND GRASSROOTS	

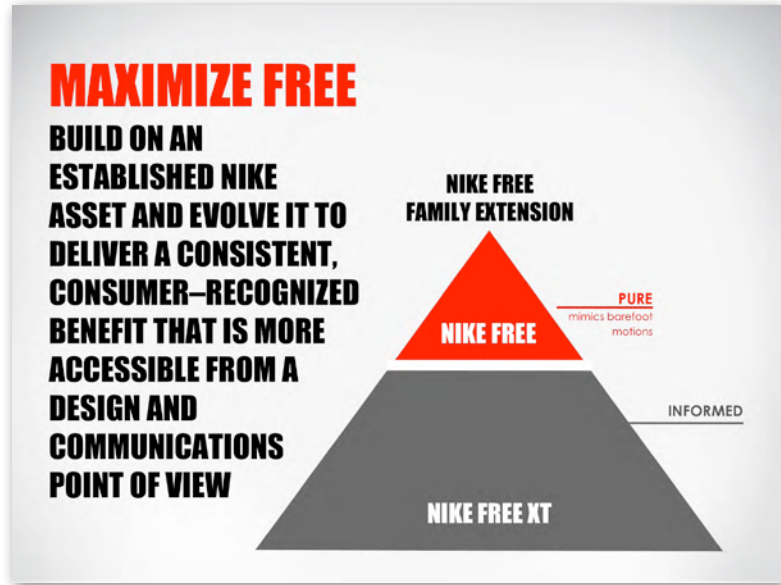


3

CONSUMER PROPOSITION
READY FOR VICTORY

FA'10	H0'10	SP'11	SU'11
CONSUMER CONCEPT			
COMMIT TO VICTORY	100% EARNED	100% EARNED	100% EARNED
PRODUCT			
Trainer One Rebel Bra Ultimatum Backpack	Nike Free Hyper Trainer Nike Quick Free PRO Hyper Warm Hoody	Nike Free Hyper Trainer II Nike Quick Free Nike Everyday Free Victory Lunar HyperFuse+ Lasercool Tight & Jacket	Nike Free Hyper Trainer II Nike Quick Free Nike Everyday Free PRO Hyper Cool Tank
SEASON AFTER SEASON WE WILL DELIVER PRODUCT, TOOLS & EXPERIENCES TO GET HER READY FOR VICTORY			





SU'11 KEY FOOTWEAR STORY
NIKE FREE PACK

NIKE FREE TR FIT	NIKE FREE XT QUICK FIT	NIKE FREE XT EVERYDAY FIT
<ul style="list-style-type: none"> NIKE FREE TECHNOLOGY Meets the parameters of NIKE FREE biomechanical tests Allows full range of motion and mimics barefoot training Internal support structure offers dynamic fit and supportive feel Multidirectional lacing appropriate for all training based activities 	<ul style="list-style-type: none"> NIKE FREE XT TECHNOLOGY Intuitive and overt expression of flexibility Lateral forefoot stability FLYWIRE zones Enhanced cushioning for long cardio and strength training sessions (NTC) 	<ul style="list-style-type: none"> NIKE FREE XT TECHNOLOGY Push interior comfort Two density cushioned midsole Dynamic fit over arch area Intuitive and expressive flexibility Enhanced cushioning for long cardio and strength training sessions (NTC)

NIKE FREE: FREE XT
MADE FOR ALL ATHLETES

I TRAIN FOR SPORT.

TRAINING IS MY SPORT.

GET FIT FASTER WITH NIKE FREE

TRAIN STRONG	GET FIT
STRONG + STABLE	LIGHT + FLEXIBLE

FREE PACK AT RETAIL

PRO
STAND FOR HER KEY STYLES



OUR GOAL

INSPIRE A GET-FIT REVOLUTION LED BY FREE AND NIKE TRAINING CLUB

WE BELIEVE...

THERE IS NO TONING WITHOUT TRAINING

CONSUMER

THE 16-24 YEAR OLD WHO:
 "TRAINS FOR SPORT"
 "TRAINING IS HER SPORT"

SHE WANTS RESULTS:
 "I WANT TO LOOK GOOD"
 "I WANT TO FEEL GREAT"



DRIVE FOOTWEAR GROWTH

1

LEAD WITH NIKE FREE

2

EXPAND DISTRIBUTION

3

ADD THE FLEXFIT FOR NEWNESS AND FOR DISTRIBUTION OPPORTUNITY

**FOOTWEAR.
 PRO.
 FRANCHISE.
 AMPLIFY.**



OWN THE LIFESTYLE OF AUTHENTIC SPORT FOR HER



COMPETE. TRAIN. EXPRESS.

FOCUS

RUNNING
\$819M

+

TRAINING
\$754M

+

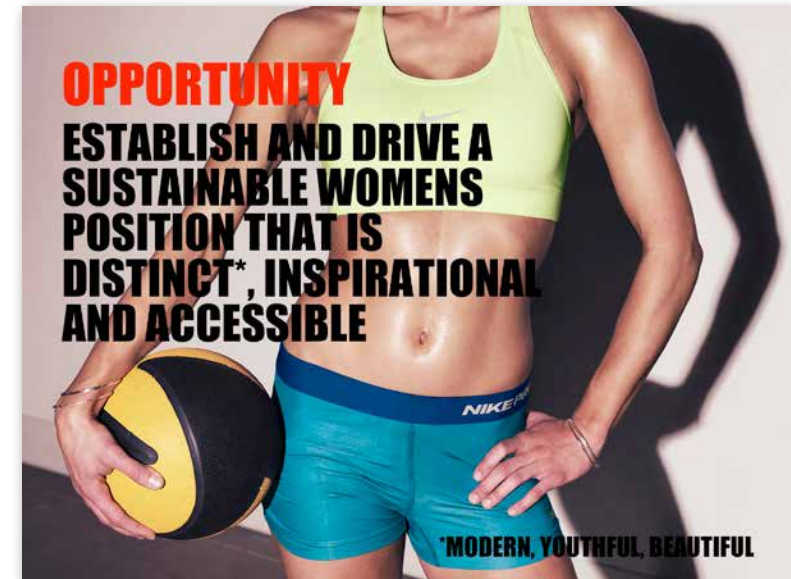
NSW
\$1430M

90% OF NIKE'S WOMEN'S BUSINESS

92% OF THE WOMEN'S SPORT MARKET

MEGA 3 DRIVE
\$3.0B+

OPPORTUNITY
 ESTABLISH AND DRIVE A SUSTAINABLE WOMENS POSITION THAT IS DISTINCT*, INSPIRATIONAL AND ACCESSIBLE



MODERN, YOUTHFUL, BEAUTIFUL



AMPLIFY WOMEN'S

SUMMER '11

- 1 "SOFT LAUNCH"
- 2 AMPLIFY ASSORTMENT
- 3 FOCUSED DISTRIBUTION

AMPLIFY DOOR POTENTIAL

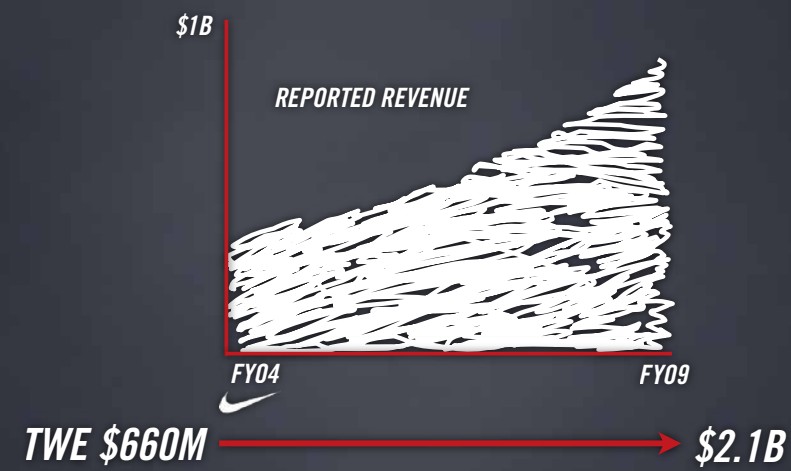
	SPORTING GOODS	MONO BRAND	MALL SPECIALTY	DEPT STORES	DTC	TOTAL
NORTH AMERICA	50		75	25	29	179
W EUROPE	123				1	124
CE EUROPE		8				8
GREATER CHINA		58			2	60
JAPAN	4			1	3	8
EMERGING MARKETS		90		10		100
TOTAL	177	156	75	36	35	479

CONVERSE

CONVERSE

MICHAEL SPILLANE
CEO, CONVERSE

CONVERSE



PHENOMENAL GROWTH

130
COUNTRIES





2M → 65M
[PAIRS]

PHASE 1
IGNITE THE CORE
[2004 – 2009]



13 [COUNTRIES]
1M+ [PAIRS]





FOCUS

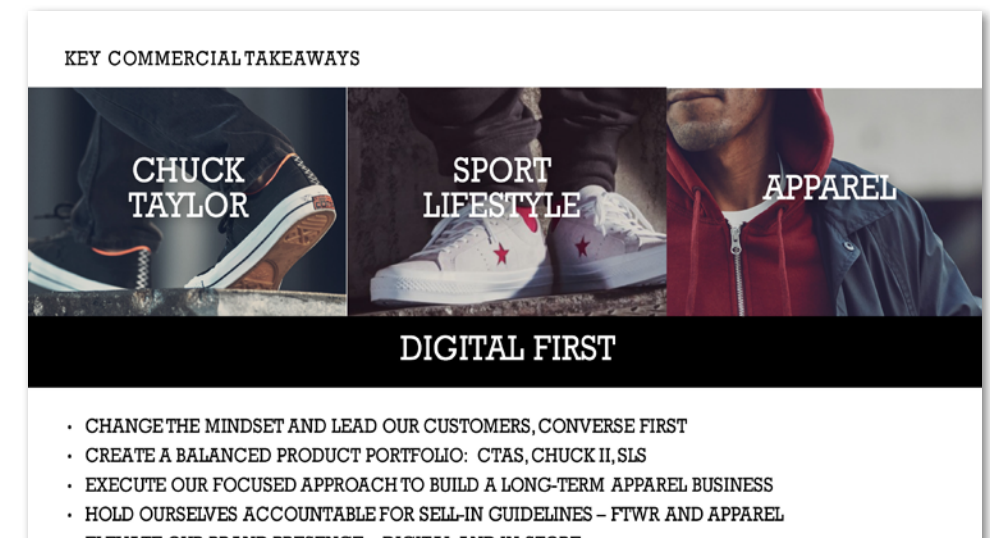
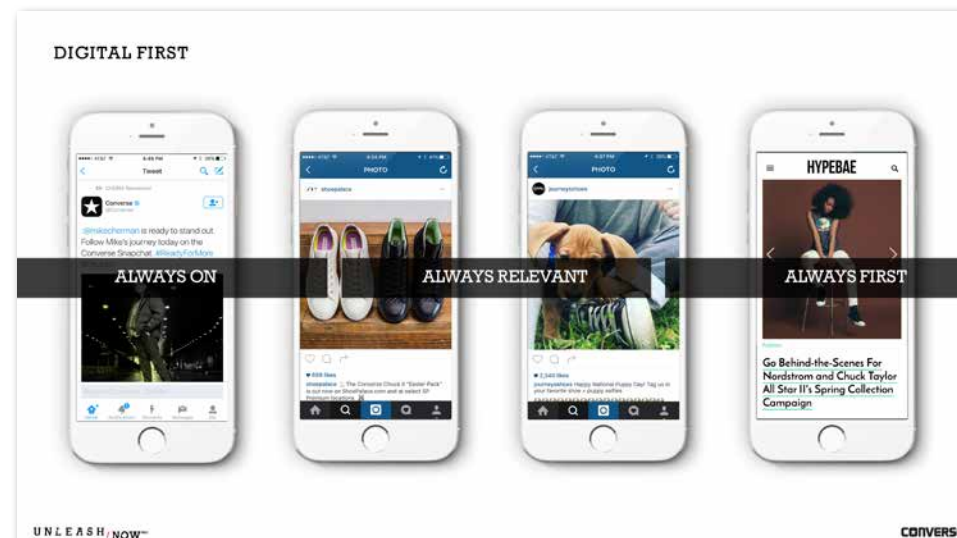
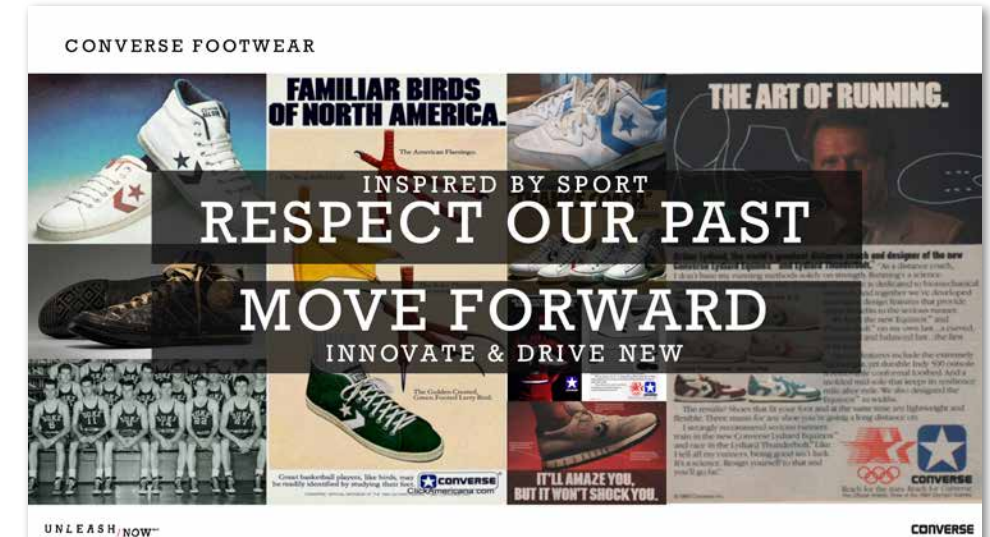
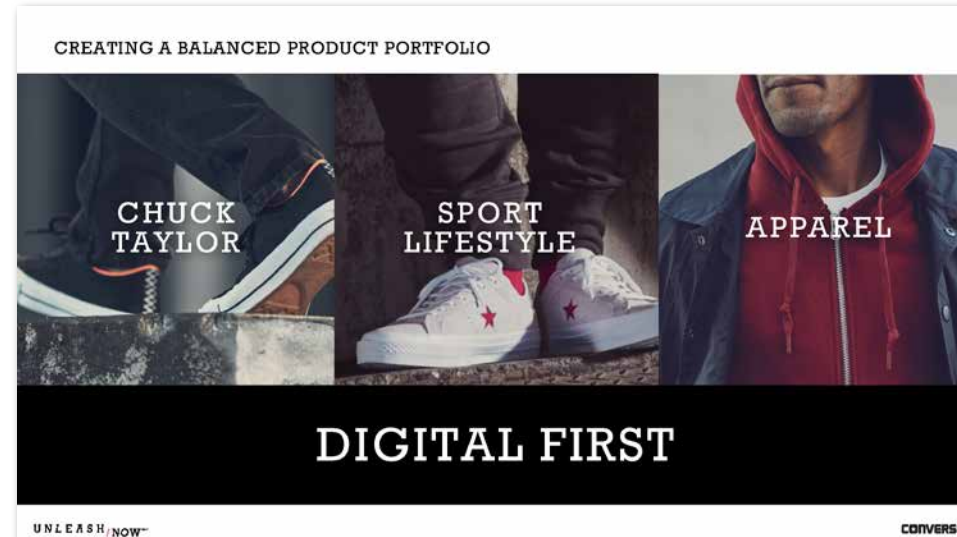




**LONG-TERM
SUSTAINABLE
REVENUE AND
PROFIT DRIVER**



**2x
THE BRAND
BY 2015**



UNLEASH

A GLOBAL LEADERSHIP SUMMIT FOCUSED ON UNLEASHING THE FULL POTENTIAL OF THE CONVERSE BRAND THROUGH OUR CULTURE BUSINESS & LEADERS

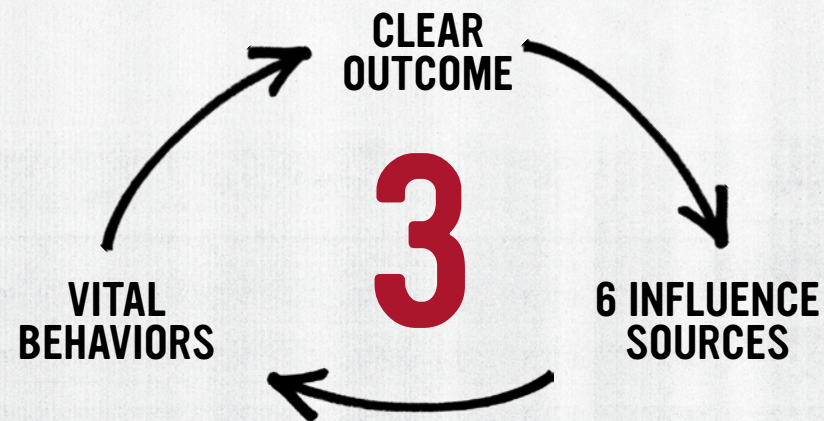
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THE INFLUENCE CHALLENGE

INFLUENCE

Strategies to motivate and enable others to act on your goals

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VITAL SMARTS: INFLUENCER MODEL

6 SOURCES OF INFLUENCE

FIND VITAL BEHAVIORS

CLARIFY MEASURABLE RESULTS

	MOTIVATION	ABILITY
PERSONAL	1	2
SOCIAL	3	4
STRUCTURAL	5	6

WHY BEHAVIORS?

FIND VITAL BEHAVIORS

1. If you were going to influence 1 person, or 1 role, who would it be?
2. If you were going to change one behavior, such that by doing it, everything would be easier or unnecessary, what would it be?
3. What are crucial moments for the desired behavior? (when actions/decisions have a big impact on outcome.)
4. Who are top performers doing it today? What do they do differently from others?

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WHY DON'T PEOPLE CHANGE?

Your world is perfectly organized to create the behaviors you are currently experiencing.

DO I WANT TO?

CAN I?

	MOTIVATION	ABILITY
PERSONAL	1	2
SOCIAL	3	4
STRUCTURAL	5	6

SOCIAL MOTIVATION + TEAM ABILITY

ENGAGE NATURAL LEADERS

1. Find out who people look up to
2. Find out how to get them engaged
3. Use them to influence their peers

ENABLE YOUR TEAM

1. Use teamwork to enable new behaviors
2. Brainstorm across team for solutions
3. Use peer coaching / peer mentoring
4. Unleash team creativity

	MOTIVATION	ABILITY
PERSONAL	1	2
SOCIAL	3	4
STRUCTURAL	5	6

6 SOURCE ASSIGNMENT

GOAL

Double Converse revenue in 2 years by increasing consumer focus

VITAL BEHAVIORS

Consumer focused X-Team collaboration and empowered decision making in direct report teams

EACH TEAM: 1 SOURCE, 3 BEST IDEAS

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COACH

DAN GRAF

COACHING SKILLS TRANSFER PROCESS

PREPARATION

First thing's first...

PREPARE OUR ATTITUDE

REVIEW THE SKILL YOURSELF

COMMIT TO THE PROCESS

PREPARE YOUR AGENDA

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DEMONSTRATIONS 1 & 2

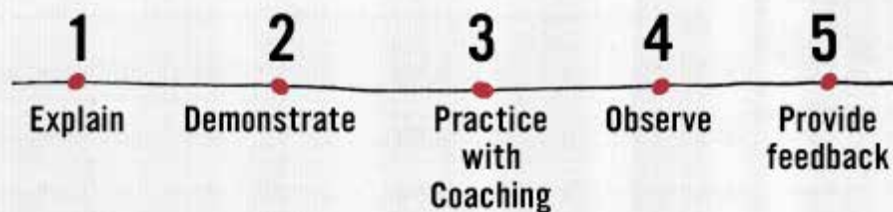
- What went right in this demonstration?
- What are some areas for improvement in this demonstration?
- How did the team member feel during the process?
- What results would probably occur with this type of coaching?
- How could this manager improve in this demonstration?

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PROCESS

5 easy steps to greater confidence
and performance.

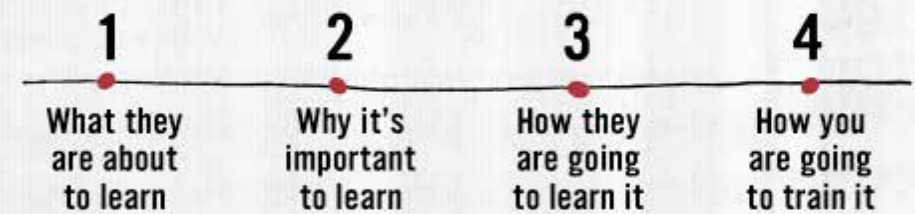


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STEP 1: EXPLAIN

Explain to Inspire!



* If you follow these four steps in your explanation, you will set the agenda for the coaching skill transfer process.

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STEP 3: PRACTICE WITH COACHING

Practice is the "doing" phase of this process.

REMEMBER:

SAFETY FIRST

BE NON-CRITICAL

TALK LESS

LOOK FOR THE POSITIVE

DEMONSTRATE MORE

BE PERSISTENT

STEP 4: OBSERVE

Observing lets you see it
come together....

OR NOT

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STEP 5: GIVE FEEDBACK



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Being a fearless designer takes more than just skill.
It takes leadership. Desire. An ability to communicate.
There's an internal flame that just won't go out.

Being a fearless designer means checking your ego at the door.
It can be humbling sometimes.

And, when you least expect it, rewarding.

Working as a team makes good designs great.

Being a fearless designer means being a trailblazer.

Both on and off the computer.

Exploring other passions feeds the overall design.

Experiencing life rather than watching it pass you by.

Being a fearless designer requires patience.

Yelling at your computer won't accomplish much.

Frustration at yourself won't either.

Accept deadlines. They are what they are. Stay up later.

Being a fearless designer is a never ending journey.

It's not about the destination, it's about the path.

Sometimes the path is obvious.

Other times, it twists and turns.

In the end, a beautiful design always shines through.

The search is half the fun.

Explore.

Experience.

Transform.

CONTACT

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