

**Subject:** Invitation to respond - Nike in our COVID-19 tracker

1. **What are the maximum number of days from invoice date within which you pay your apparel suppliers (e.g. 30, 60, 90, 180 days)?**

Nike does not disclose contract terms. Our current business practice is to pay suppliers within 45 days of invoice.

2. **When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?**

See answer 1.

3. **In this period, have you asked suppliers for a discount after placing an order? Y/N**
  - a. If yes, what percentage of FOB was the discount (if varying, please list all percentages)?

4. **Do your contracts have clauses for financial penalties:**

Nike does not disclose contract terms.

- i. For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)? **Y/N**
- ii. For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)? **Y/N**

**In the period since the COVID-19 outbreak:**

*Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.*

5. Have you committed to pay in full for:
  - i. All completed orders? **Y/N**
  - ii. All in-production orders? **Y/N**

6. Have you extended your usual payment times? **Y/N**
  - i. If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?
  - ii. Are you supporting suppliers with access to local finance with a letter of credit or through other means? **Y/N**

We support suppliers seeking access to capital through a range of third party programs. We are also working with industry organizations and other global stakeholders to develop broad based solutions to help address the current situation, and support the approaches set forth by [United States Council for International Business](#) and a [broad coalition](#) of textile, apparel and footwear industry associations.

7. Have you requested a discount for any orders? **Y/N**
  - i. If yes what, percentage of FOB (if varying, please list all percentages)?

8. Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown? **Y/N**
9. Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment)? **Y/N**
10. Are you paying shareholder dividends? **Y/N or N/A for companies without public shareholders**  
**Please refer to our [10-K](#).**
11. Please add any additional comments (optional):

We are working with our suppliers to support their efforts in response to the dynamic and unprecedented nature of the COVID-19 situation. The evolving and challenging marketplace dynamics mean that Nike and our suppliers must make some difficult decisions in the short term, as we work together to mitigate longer-term impacts and develop sustained viability for their businesses and employees. As they navigate these circumstances, we expect our suppliers to consider their employees' health and livelihoods and continue to comply with legal requirements and the Nike Code of Conduct on the provision of wages, benefits and severance.

We continue to place orders, taking into account impacts of market dynamics. We will continue to pay in full for finished product from all suppliers globally, while honoring previously agreed payment terms for product in production. In the case of cancelled orders, our policies and agreements with suppliers are, and have always been, that Nike will pay the appropriate amount of the order, depending on the stage of production as communicated by our supplier to enable the supplier to recover costs associated with the canceled order.

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For additional information regarding our COVID-19 response efforts, visit [purpose.nike.com](https://purpose.nike.com).