

# Nike Inc.

## Move to Zero



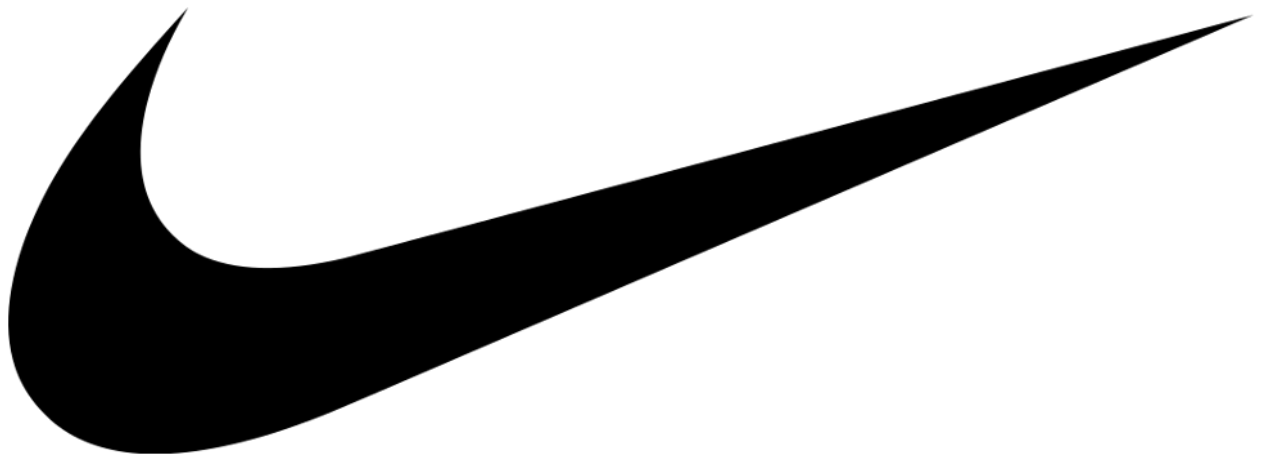
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Tuesday 10:30-11:30

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## **1. Outline 1 specific climate-related change or innovation that the business has adopted.**

Nike, Inc. stands as a global leader, shaping both the economic landscape and cultural narrative of the contemporary sportswear industry. As the world's largest supplier of athletic footwear and apparel, Nike commands an estimated 38.68 per cent global market share (2023) and generated USD 51.36 billion in revenue in fiscal year 2024 (Sher 2025). Its ecosystem extends beyond the flagship Nike brand to include Converse and Jordan, alongside several other affiliated labels (Nike Inc. 2025). This position of leadership places the company at the centre of a profound environmental challenge. The global apparel and footwear industry, which underpins much of Nike's supply chain, is estimated to generate 2-8 per cent of global carbon emissions, ranking among the top industrial emitters (Geneva Environment Network 2025). Textile dyeing contributes about 20 per cent of global wastewater (European Parliament 2020), and roughly 85 per cent of textiles end up in landfills and incineration each year (Geneva Environment Network 2025). For a performance-driven brand such as Nike, environmental performance has therefore become a prerequisite for corporate legitimacy and competitiveness.

In response, Nike launched its *Move to Zero* initiative in 2019, a comprehensive sustainability commitment that represents the company's pursuit of zero carbon and zero waste in order to safeguard the future of sport (Nike, Inc. 2019). *Move to Zero* represents a structural transformation of Nike's entire business model, embedding sustainability into Nike's core value chain, from product design and material sourcing to manufacturing, distribution, and retail. Central to this transformation are concrete objectives: achieving 100 per cent renewable electricity across all owned and operated facilities by 2025, reducing carbon emissions by 30 per cent by 2030 and diverting all

production waste from landfill, with a minimum of 80 per cent recycled into new materials (Nike, Inc. 2019). Collectively, these targets signal a purposeful shift from symbolic sustainability gestures to measurable climate performance indicators aligned with international climate frameworks.

Central to the initiative is a reimagining of materials and product design. Nike has increased its reliance on recycled polyester derived from post-consumer plastic bottles, diverting approximately one billion bottles each year from landfills and waterways (Caucasus Environmental NGO Network 2024). As part of *Move to Zero*, the long-running *Nike Grind* program has been expanded, reclaiming more than 67 million kilograms of production waste and worn footwear, converting them into raw materials for new apparel, store flooring and sports facilities (Nike Grind 2025). Similarly, *Nike Forward*, a low-impact material platform developed within the *Move to Zero* portfolio, achieves a 75 per cent reduction in carbon emissions relative to the standard knit fleece (Nike, Inc. 2022). Collectively, these initiatives reveal Nike's evolution toward regenerative design, where material recovery and carbon reduction are integral to performance innovation.

Through *Move to Zero*, Nike is attempting to decouple growth from environmental degradation, a challenge that demands both technological and organisational innovation. By integrating sustainability within its brand identity and operational systems, the company not only mitigates its environmental footprint but also consolidates its strategic advantage in a marketplace increasingly driven by ethical and low-carbon production (Plastic Bank 2025). Ultimately, *Move to Zero* marks a decisive step in transforming climate ambition into operational practice, positioning Nike as an industry benchmark for sustainable performance.

## **2. Analyse how these changes align with either SDG12 or SDG13.**

Nike's *Move to Zero* initiative demonstrates clear alignment with the objectives of the United Nations Sustainable Development Goal 13 (Climate Action), which calls for '*urgent action to combat climate change and its impacts*' (United Nations 2025). As one of the largest multinational corporations in the global apparel and footwear sector, Nike's environmental performance directly influences global emissions, resource consumption and industry standards (Sher 2025). By embedding circular production methods, renewable energy systems, and emission mitigation within its *Move to Zero* framework, Nike operationalises SDG 13.2's target of incorporating climate change measures into policies and planning, and SDG 13.3's focus on fostering education, awareness, and capacity-building that strengthen long-term climate responsiveness (United Nations 2025).

At its foundation, the initiative seeks to achieve zero carbon and zero waste, translating the principles of SDG 13 into a structured framework for measurable climate action across Nike's operations and supply chain (Nike, Inc. 2025). By committing to source 100 per cent renewable electricity across all owned and operated facilities by 2025, Nike integrates decarbonisation within the core of its operations, signalling a shift from utilising carbon offsets to systemic emissions reduction (Nike, Inc. 2019). As of fiscal year 2024, 96 per cent of electricity used across Nike's global operations was already derived from renewable sources, demonstrating substantial progress towards this goal (Nike, Inc. 2025). This transition advances SDG 13.2 by aligning Nike's operations with the emission reduction pathways of the Paris Agreement, translating global climate goals into measurable corporate action (Pereira 2019).

Another critical pillar of *Move to Zero* is Nike's commitment to material and product innovation, reflecting SDG 13's imperative for transformative action to curb industrial emissions (Nike, Inc. 2019). Through its shift toward recycled polyester, repurposing about one billion plastic bottles each year (Caucasus Environmental NGO Network 2024), and the scaling of the *Nike Grind* program, which has recovered more than 67 million kilograms of manufacturing scrap and used footwear, Nike reinforces a closed-loop production model that reduces waste, conserves resources, and lowers lifecycle emissions across its product portfolio (Nike Grind 2025). Furthermore, the development of *Nike Forward* reduces carbon output by 75 per cent compared with traditional knit fleece, further illustrating the company's capacity to combine design innovation with decarbonisation (Nike, Inc. 2022). Collectively, these initiatives advance SDG 13.2 by embedding climate mitigation within Nike's product development strategy, while also contributing to SDG 13.3 by building knowledge and technical capacity needed for sustainable design.

Beyond technological innovation, *Move to Zero* also promotes cultural and organisational change, advancing SDG 13.3's educational and awareness dimensions. Through campaigns such as "*Get 'Em Back In The Game*" and sustainability-focused retail messaging, Nike educates consumers on circular practices and responsible consumption (Nike, Inc. 2023). Such communication strategies transform consumer engagement into a form of climate education, reinforcing SDG 13.3's objectives of building '*knowledge and capacity to meet climate change*' mitigation, adaptation and impact reduction (The Global Goals 2025).

Despite Nike's notable progress, full alignment with SDG 13 remains limited by its global supply chain and varying environmental standards (Nike, Inc. 2025).

Consequently, this creates barriers to consistent decarbonisation and reliable climate reporting throughout the supply chain. To address these challenges, Nike has adopted the Science-Based Targets Initiative (SBTi) framework, aiming to strengthen accountability and align its emissions trajectory with the goals of the Paris Agreement; however, supplier-level decarbonisation remains a complex task (Nike, Inc. 2025). Nevertheless, *Move to Zero* demonstrates a practical expression of SDG 13, using innovation, renewable energy, and climate awareness to convert global climate ambitions into measurable progress.

### **3. Discuss up to 2 economic factors for the change or innovation outlined in Question 1.**

Nike's *Move to Zero* initiative, centred on achieving zero carbon and zero waste, represents not only a response to global environmental imperatives but also a strategic adjustment to the economic realities of a sustainability-driven marketplace (Nike, Inc. 2025). Two main economic factors underpin this transformation: first, the growing market preference for sustainable products, and second, the pursuit of resource efficiency and long-term cost stability in response to environmental and regulatory pressures (Chladek 2019). These conditions have elevated the importance of sustainability across the industry, making it integral to Nike's business model and long-term growth.

One of the primary economic factors influencing Nike's adoption of *Move to Zero* is the evolution of consumer preferences and the resulting market competition dynamics (Plastic Bank 2025). Internationally, there has been a substantial increase in consumer demand for ethically and environmentally responsible products. A 2023 McKinsey study found that products making environmental, social, and governance (ESG) claims

achieved 28 per cent cumulative growth over the past 5 years, compared with 20 per cent for products without such claims, demonstrating a clear market premium for sustainability (Frey et al. 2023). For Nike, a brand committed to continuous improvement, overlooking this opportunity would represent a missed strategic advantage, ultimately weakening its competitive and innovative edge.

From a microeconomic perspective, Nike's *Move to Zero* can be interpreted as a strategic response to shifting demand elasticity, where the growing importance of sustainability has become central to consumer willingness to pay. In high-income markets, particularly among younger generations, purchasing decisions increasingly reflect environmental and ethical values, driving demand away from firms perceived as unsustainable. Recent global research reinforces this trend: 74 per cent of consumers report that environmental concerns influence their purchasing decisions, 88 per cent prioritise brands with ethical sourcing, and consumers are willing to pay an average price premium of 28 per cent for sustainable products (Plastic Bank 2025). For an innovation-driven company such as Nike, responding to these market dynamics is pivotal to sustaining leadership and market share in a constantly evolving industry. *Move to Zero* effectively integrates the environmental goals of greenhouse gas emission reduction, waste diversion and low carbon emissions into a point of tangible differentiation, ultimately providing proof of commitment and furthering its success on the global scale (Nike, Inc. 2025).

Competitive pressure further amplifies this trend. Rival brands such as Adidas, through its *End Plastic Waste Program* (adidas 2025), and Puma, with its *Vision 2030* (PUMA 2025), have normalised sustainability as a baseline expectation in the sportswear market. From the perspective of Porter's Five Forces, intense industry rivalry and the

growing threat of substitution compel firms to innovate continuously to sustain differentiation (Gratton 2025). *Move to Zero*, therefore, serves as a proactive response to competitive dynamics, ensuring relevance in a marketplace where environmental credentials have become entry requirements rather than optional marketing claims. Despite the negative effects of rivalries potentially raising costs and compressing profits in the short term, they also accelerate environmental innovation that transforms industry externalities into collective gains, raising overall sustainability standards.

A second economic driver behind *Move to Zero* is Nike's pursuit of resource efficiency and cost stability in response to environmental externalities and increasing regulatory pressure. The global apparel and footwear industry produces significant negative externalities, emitting around 2-8 per cent of global carbon emissions and generating nearly 20 per cent of the world's wastewater (European Parliament 2020), while roughly 85 per cent of textiles end up in landfill end up in landfills yearly (Geneva Environment Network 2025). These figures demonstrate the extent of the industry's environmental costs, where this unpriced damage has led to significant negative externalities. Furthermore, governments and international bodies are increasingly acting to internalise these costs through carbon pricing, emissions reporting standards and extended producer responsibility schemes (Atalla, Mills & McQueen 2022). By adopting renewable energy and circular production models through *Move to Zero*, Nike proactively mitigates these risks and positions itself favourably within this evolving regulatory environment. This initiative allows the company to internalise potential environmental and regulatory costs, mitigating risks linked to resource scarcity and future policy shifts. By adjusting elements of its supply chain on its own terms, Nike can minimise short-term costs while capturing the long-term economic benefits of efficiency and innovation.

The company's transition towards renewable electricity and circular design is a clear example of how sustainability and efficiency overlap. Nike's target to source 100 per cent renewable electricity across all owned and operated facilities by 2025 (currently 96%) cuts its reliance on fossil fuels, shielding it from price volatility in energy markets and potential future carbon taxes (Nike, Inc. 2019). Likewise, initiatives like *Nike Grind*, which has reused over 67 million kilograms of manufacturing scrap and worn-out footwear, lower the dependence on virgin materials that are often subject to supply shocks and geopolitical instability (Nike Grind 2025). In doing so, Nike builds supply-chain resilience while lowering production costs in the long run.

The two economic factors, market-based demand pressures and resource efficiency incentives, are mutually reinforcing (Ewijk 2018). As consumer and regulatory expectations continue to converge, firms that adopt proactive sustainability measures secure dual advantages: they capture demand in the ever-growing ethically motivated markets while reducing exposure to future costs. Nike's *Move to Zero* exemplifies this alignment, as through its initiatives of renewable energy adoption to its circular material integration, it effectively meets the expectations of shareholders, consumers and governmental regulating bodies (Nike, Inc. 2019). Consequently, a sustainability-driven value loop is created in which environmental and economic objectives align, where advancements in particular areas can also lead to progression in other areas. Furthermore, optimising this value loop will lead to the creation of a circular economy, where products and materials are kept in circulation rather than thrown away (The Ellen MacArthur Foundation 2025). Ultimately, eliminating the level of waste and pollution, recycling products and materials instead to regenerate nature.

Nike's *Move to Zero* demonstrates the importance of environmental innovation as a driver of long-term economic efficiency and competitiveness. The rise of sustainability-oriented consumer demand has shifted sustainability from a reputational concern to an economic imperative. By embedding climate goals within its business model, Nike future-proofs its operations amid shifting environmental conditions. Ultimately, *Move to Zero* is not merely an ethical initiative; it represents a rational economic strategy for thriving within the constraints of a carbon-conscious global economy.

## References

adidas 2025, *Impact – Planet*, viewed 5 November 2025,

<<https://www.adidas.com.au/go/campaign/impact/planet>>.

This page outlines Adidas' environmental commitments. It was used to compare Nike's initiative with competitors' sustainability strategies in the industry rivalry discussion.

Atalla, G, Mills, M & McQueen, J 2022, *Six ways that governments can drive the green transition*, EY – Australia, viewed 6 November 2025,

<[https://www.ey.com/en\\_au/insights/government-public-sector/six-ways-that-governments-can-drive-the-green-transition](https://www.ey.com/en_au/insights/government-public-sector/six-ways-that-governments-can-drive-the-green-transition)>.

This report examines regulatory mechanisms for sustainability, including carbon pricing and green investment incentives. It supported the discussion of policy and regulatory pressures, showing how environmental policies and compliance costs influence Nike's adoption of resource-efficient systems

Caucasus Environmental NGO Network (CENN) 2024, *Sustainable Businesses*, viewed

3 November 2025, <<https://www.cenn.org/sustainable-businesses/>>.

This article promotes sustainable business models and promotes circularity. It was a reference to Nike's use of 1 billion bottles per year, quantifying its use of recycled polyester and closed-loop production systems.

Chladek, N 2019, *Why you need sustainability in your business strategy*, Harvard

Business School Online, viewed 5 November 2025,

<<https://online.hbs.edu/blog/post/business-sustainability-strategies>>.

Chladek's article explains the economic and strategic advantages of embedding sustainability into corporate frameworks. The source informed the discussion of sustainability as an economic imperative, helping justify why Nike's Move to Zero aligns with a rational long-term business strategy rather than symbolic environmentalism.

The Ellen MacArthur Foundation 2025, *What is a circular economy? – Overview*,

viewed 6 November 2025,

<<https://www.ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview>>.

Defines the principles of a circular economy, focusing on eliminating waste and regenerating natural systems. It was used in the conclusion to demonstrate how Nike's

initiatives reflect the circular economy logic by keeping resources in circulation and designing for longevity.

European Parliament 2020, *Fast fashion: EU laws for sustainable textile consumption*, viewed 6 November 2025,

<https://www.europarl.europa.eu/topics/en/article/20201208STO93327/fast-fashion-eu-laws-for-sustainable-textile-consumption>.

This article outlines the European Union legislation addressing the environmental costs of textile production, including wastewater, carbon emissions, and over-consumption. It provided factual grounding for the introduction's description of global apparel impacts.

Ewijk, S 2018, *Resource efficiency and the circular economy: Concepts, economic benefits, barriers, and policies*, UCL Institute for Sustainable Resources, viewed 6 November 2025,

[https://www.researchgate.net/publication/327868697\\_Resource\\_efficiency\\_and\\_the\\_circular\\_economy\\_Concepts\\_economic\\_benefits\\_barriers\\_and\\_policies](https://www.researchgate.net/publication/327868697_Resource_efficiency_and_the_circular_economy_Concepts_economic_benefits_barriers_and_policies).

This academic publication explores how circular economy frameworks improve economic efficiency and resilience. It informed the economic analysis of Move to Zero,

supporting arguments about how resource efficiency and reduced waste lower long-term operational costs while advancing sustainability goals.

Frey, S, Bar Am, J, Doshi, V, Malik, A & Noble, S 2023, *Consumers care about sustainability—and back it up with their wallets*, McKinsey & Company in collaboration with NielsenIQ, viewed 5 November 2025, <<https://www.mckinsey.com/~media/mckinsey/industries/consumer%20packaged%20goods/our%20insights/consumers%20care%20about%20sustainability%20and%20back%20it%20up%20with%20their%20wallets/consumers-care-about-sustainability-and-back-it-up-with-their-wallets-final.pdf>>.

This joint McKinsey and NielsenIQ study analyses five years of global consumer spending data, finding strong growth in ESG-labelled products. The findings were incorporated to demonstrate how sustainability drives competitive advantage in the modern market, evidencing Nike's decision to pursue Move to Zero as both an environmental and economic necessity.

Geneva Environment Network 2025, *Environmental sustainability in the fashion industry*, viewed 3 November 2025, <<https://www.genevaenvironmentnetwork.org/resources/updates/sustainable-fashion/>>.

This comprehensive report outlines the environmental footprint of the global fashion and footwear industries, detailing their share of carbon emissions, wastewater, and landfill waste. It was used to frame the environmental urgency underpinning Nike's initiative; positioning Move to Zero as a response to measurable industry-wide environmental degradation.

Gratton, P 2025, *Porter's Five Forces Explained and How to Use the Model*,

Investopedia, viewed 5 November 2025,

<https://www.investopedia.com/terms/p/porter.asp>.

Gratton's article explains Michael Porter's analytical model for assessing competitive forces. It was applied to examine Nike's competitive environment, demonstrating how intense industry rivalry and the threat of substitution push firms to integrate sustainability as a means of differentiation and long-term resilience.

Nike Grind 2025, *Nike Grind – changing the game from the ground up*, viewed 4

November 2025, <https://www.nikegrind.com/>.

This official page details Nike's long-running recycling program that converts manufacturing scrap and worn footwear into new materials. It was cited in both the innovation and economic analysis sections to illustrate how Nike operationalises circularity, reducing material costs while transforming waste into new value streams.

Nike, Inc. 2019, *Nike Move to Zero climate change initiative*, viewed 3 November 2025,

<<https://about.nike.com/en/newsroom/releases/nike-move-to-zero-climate-change-initiative>>.

This foundational press release introduced Nike's corporate climate action strategy, outlining targets for renewable energy, waste diversion, and carbon reduction. It served as the core primary source for describing Move to Zero's objectives and establishing the framework through which Nike pursues measurable sustainability performance.

Nike, Inc. 2022, *Nike Forward – Move to Zero*, viewed 4 November 2025,

<<https://www.nike.com/au/a/nike-forward>>.

This announcement presents Nike Forward, a low-impact material technology designed to cut production emissions by 75 per cent compared with standard fleece. It was used to illustrate how Move to Zero fosters material innovation, linking product design to emission reduction within Nike's broader climate strategy.

Nike, Inc. 2025, *Protecting the planet – Sustainability focus areas*, viewed 4 November

2025, <<https://about.nike.com/en/mission/focus-areas/protecting-the-planet>>.

This official webpage outlines Nike's sustainability priorities and mission areas across energy, waste, and materials. It was used to demonstrate the company's integrated sustainability governance structure, supporting claims that Move to Zero is embedded across all levels of corporate planning. It also served as an updated review of the progress towards the goals.

Nike, Inc. 2025, *Reducing Our Carbon Footprint*, viewed 4 November 2025,

<<https://about.nike.com/en/mission/initiatives/reducing-carbon-footprint>>.

This source outlines Nike's decarbonisation roadmap and performance data on energy usage and emissions. It was used to highlight the company's tangible climate mitigation progress, specifically its transition to renewable electricity and measurable emission reduction milestones.

Nike, Inc. 2025, *Sustainability*, viewed 4 November 2025,

<<https://www.nike.com/au/sustainability>>.

This webpage provides Nike's latest sustainability metrics and program summaries. It supported analysis of progress toward renewable-energy targets and was cited to evidence how the Move to Zero initiative has transitioned from aspirational goals to operational outcomes.

Nike, Inc. 2025, *Welcome to Nike, Inc.*, viewed 3 November 2025,

<<https://about.nike.com/en/company>>.

Nike's official corporate overview details the company's structure, subsidiaries, and global presence. It was referenced in the introduction to contextualise Nike's market dominance, explaining why its sustainability actions carry systemic influence across the apparel and footwear industry.

Pereira, N 2019, *Nike takes action and joins the UN Sustainable Fashion Charter for*

*Climate Action, Climate Action*, viewed 4 November 2025,

<<https://www.climateaction.org/news/nike-takes-action-and-joins-the-un-sustainable-fashion-charter-for-climate>>.

Pereira's article reports on Nike's decision to join the United Nations Fashion Charter for Climate Action. It was used to demonstrate Nike's commitment to global policy collaboration and its effort to align internal practices with international climate governance frameworks.

Plastic Bank 2025, *How consumer demand is fueling the sustainability shift*, viewed 4

November 2025, <<https://plasticbank.com/blog/how-consumer-demand-is-fueling-the-sustainability-shift/>>.

This blog analyses how consumer awareness and ethical purchasing drive corporate sustainability transitions. It was referenced to support the discussion of market-based economic factors shaping Nike's Move to Zero, highlighting the link between consumer values and business innovation.

PUMA 2025, *Sustainability*, viewed 5 November 2025,

<<https://about.puma.com/en/sustainability>>.

This webpage details Puma's sustainability initiatives under its *Forever Better* and *Vision 2030* frameworks. It was incorporated to contrast Nike's Move to Zero with another leading competitor's approach, reinforcing how environmental accountability has become a shared strategic imperative across the industry.

Sher, D 2025, *A Statistical Analysis of Nike's Rise to the Top of the Sporting Industry*,

Investing.com, viewed 3 November 2025,

<<https://www.investing.com/academy/statistics/nike-facts/>>.

This data-driven article provides quantitative insights into Nike's market share, revenue, and growth trajectory. It was cited in the introduction to illustrate Nike's economic scale and justify why a company of its size bears heightened responsibility for driving sustainable transformation in the global market.

The Global Goals 2025, *Goal 13: Climate Action*, viewed 4 November 2025,

<https://globalgoals.org/goals/13-climate-action/>.

This site presents accessible summaries of each UN Sustainable Development Goal. It was used to explain SDG 13's specific objectives and to connect Nike's climate action strategies with the global framework for emissions reduction and climate resilience.

United Nations 2025, *Goal 13 – Take urgent action to combat climate change and its impacts*, viewed 4 November 2025, <https://sdgs.un.org/goals/goal13>.

This official UN page outlines SDG 13 and its sub-targets 13.2 and 13.3. It was referenced throughout the analysis section to show how Nike's Move to Zero operationalises these targets by embedding climate action into corporate planning and education.

### **AI Statement**

I used artificial intelligence tools, including ChatGPT and Gemini, to assist in preparing this assessment. These tools were used to support my learning by simulating the role of a subject coordinator to provide formative feedback on draft sections of my work.

They also assisted in refining my academic writing and ensuring accuracy in my completed work. All ideas, critical analysis and final written content were developed

independently by me, and the final submission represents my own understanding and academic judgement.