



ACATIS FAIR VALUE SPECIAL

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Red card for Nike

In March 2021, US athletic products manufacturer Nike was excluded from the ACATIS Fair Value universe and all positions in the ACATIS Fair Value funds were divested.

The company had received repeated entries from research agency imug Vigeo Eiris with regard to the sustainability criterion "serious/systematic breach of social standards in the supply chain". The company was accused of contracting Chinese factories that use forced labour programs directed against members of the Uyghur minority.

In July 2020, Nike supplier Changji Esquel Textile was one of eleven companies that were put on the Black List of the U.S. Department of Commerce's Bureau Industry and Security due to alleged human rights violations involving Uyghur Muslims in China.

As early as March 2020, the Australian Strategic Policy Institute (ASPI) released a report that named Nike and 83 other companies that profit from the use of potentially abusive work placement programmes. According to the report, more than 80,000 Uyghur residents and former prisoners from the north-western region Xinjiang are forced to work in Chinese factories. The Australian Strategic Policy Institute (ASPI) says that thousands of Uyghurs are sent to work in factories across China, and in conditions that are "highly indicative of forced labour", according to the ASPI report. Based on these new accusations, the rating agency imug Vigeo Eiris raised its assessment of the severity of this case to "high".

According to our sustainability criteria, companies are excluded from the ACATIS Fair Value universe if they have received three entries for social standards and forced labour.

According to an article in the New York Times from 29 November 2020, Nike, The Coca-Cola Company, Apple and HSBC are part of a group of companies that are attempting to weaken a law that prohibits imports from a region in China in which products are made by a minority under forced labour. The draft legislation, the Uyghur Forced Labour Prevention Act, would ban the import of a large number of materials from China's Xinjiang region in order to combat human rights violations by the Chinese government, according to the New York Times.

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