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Contact: Anne Lally (202) 262 0665

**FAIR LABOR ASSOCIATION RECEIVES \$1.5 MILLION IN SETTLEMENT OF
KASKY v. NIKE FIRST AMENDMENT CASE
Funds to be Used to Benefit Factory Workers and Consumers**

The Fair Labor Association (FLA) is the recipient of \$1.5 million through a settlement announced today between Nike and Marc Kasky, a San Francisco resident who brought a legal suit against the athletic footwear company.

The FLA is a non-profit organization that combines the efforts of industry, non-governmental organizations (NGOs), colleges and universities to promote adherence to international labor standards and improve working conditions worldwide.

"The settlement that Mr. Kasky struck with Nike recognizes the importance of independently monitoring factories and fixing problems when they're identified. This settlement will support the FLA's ability to positively impact conditions for factory workers," says Adele Simmons, Chair of the FLA Board of Directors.

Auret van Heerden, FLA Executive Director, added, "This will also benefit consumers through improved public reporting."

While discussing the settlement, Patrick Coughlin, attorney for the plaintiff stated, "Ultimately, both Nike and Mr. Kasky agreed that this resolution benefits two key groups: factory workers and consumers worldwide. Given the FLA's collaboration across a wide spectrum of companies, universities and NGOs, it is an excellent vehicle for Nike to further develop its corporate responsibility efforts and allow interested consumers to measure the performance of Nike and other companies through public reporting. Mr. Kasky is satisfied that this settlement reflects Nike's commitment to positive change where factory workers are concerned."

The FLA has sole discretion to direct expenditures of its portion of the settlement dollars. The organization's Board of Directors will meet in October to develop a transparent process for determining how the money will be allocated. The program is likely to address independent monitoring, worker education and public reporting among other issues.

"This settlement represents a significant vote of confidence in the FLA and allows the FLA to strengthen its programs of monitoring, education and public reporting," explains Robert Durkee, Vice President for Public Affairs at Princeton University and FLA Board Member. Princeton is one of 179 colleges and universities participating in the organization.

Michael Posner, FLA Board Member and Executive Director of Lawyers Committee for Human Rights, notes that "The Kasky versus Nike settlement sets aside differences in order to focus on improving conditions for factory workers."

The FLA is a Washington, D.C.-based non-profit organization that was established as an independent monitoring system that holds its participating companies accountable for the conditions under which their products are manufactured. To advance fair, decent and humane working conditions, the FLA enforces an industry-wide Workplace Code of Conduct, which is based on the core labor standards of the International Labor Organization (ILO). The organization issued its first public report in June 2003. This report and additional information on the organization can be found at www.fairlabor.org. Nike is a participating company of the FLA.