

From: Portland Association of Teachers

ATTN: Oregon Invest Council

The members of the Portland Association of Teachers have a critical stake in the Oregon PERS system. Our members have grown increasingly vigilant in monitoring the investments of their retirement accounts. Over the years we have seen an increased interest and outspokenness to divest from companies that harm workers, the environment or contribute to ongoing human rights violations. As educators we believe that our hard earned dollars must be used responsibly and to the benefit of our communities as much as possible.

Last year the Portland Association of Teachers began engaging in international solidarity with garment workers who make NIKE shoes. We invited workers to our union hall, shared a meal and heard first hand the abysmal account of NIKE's treatment of their lowest paid workers.

Nike's failure to engage with workers' unions in its supply chain poses a material risk to the retirement fund of our 4500 members. Nike is not only ignoring its due diligence responsibilities under the OECD Guidelines—it is also undermining its own ability to have any real understanding of labor risks in its supply chain by relying on things that we know don't work—like external audits and voluntary programs—while refusing to do what we know *does* work—which is meeting directly with workers and their unions in its supply chain. For the Oregon Investment Council—and for the retirement funds of the employees of Oregon's largest school district—this means increased exposure to reputational, operational, and regulatory risk. As fiduciaries, you have a responsibility to ensure companies in your portfolio address and remediate human rights harms.

We urge you, as fiduciaries of Oregon's public pension funds and advocates for responsible investing, to take the following steps:

1. **Publicly call on Nike to meet with independent labor unions in its supply chain** to assess, mitigate, and prevent human rights risks;
2. **Insist that Nike comply with the OECD Guidelines**, including by engaging in two-way dialogue with workers' representatives and remedying harms already done;
3. **Request information from Nike** about its current human rights risk mitigation processes, including:
 - How Nike intends to engage with unions going forward;
 - Who at Nike is accountable for labor engagement and remediation;
 - How Nike plans to avoid another wave of worker exploitation in the face of future economic shocks.

Signed,

Angela Bonilla, on behalf of the 4500 members of the Portland Association of Teachers.