

September 22, 2015

Secretary Jesus Alfonso Navarrete Prida  
Labor and Social Welfare Secretariat  
Government of Mexico  
Paseo de la Reforma 98, Piso 3  
Col. Tabacalera, Delegación Cuauhtémoc  
Mexico D.F.

Honorable Secretary Navarrete Prida:

On behalf of our companies, we would like to extend a cordial greeting and wish you much success in your current endeavors. As representatives of international apparel and sportswear brands sourcing textile and apparel products from Mexico, we have commercial relationships with dozens of Mexican factories, employing thousands workers. We support fair, healthy and safe working conditions in those workplaces and we support compliance with internationally recognized core labor standards and Mexico's Federal Labor Law, in order to ensure respect for workers' freedom of association and the right to bargain collectively.

We are writing now to communicate our strong support for the International Labour Organization (ILO) Committee on Application of Standards' request that Mexico make further reforms to the 2012 Federal Labor Law to comply with ILO Convention 87. One of these recommended reforms addresses a problem, protection contracts, that we encounter in Mexico. This practice allows the registration of collective bargaining agreements by trade unions that cannot demonstrate the support of the majority of the workers they intend to represent, by means of a democratic election process.

Social auditors for apparel brands sourcing from Mexico continue to find examples of protection contracts that are typically signed or negotiated without the knowledge or consent of workers. Such contracts are registered as legal collective bargaining agreements by local Conciliation and Arbitration Boards, yet many workers do not currently have access to those contracts, creating a barrier to their freedom of association and right to bargain collectively.

These barriers to freedom of association and collective bargaining, including the prevalence of protection unions that sign collective agreements without consulting workers, not only contradict Convention 87, which Mexico has ratified, but also go against all of our company codes of conduct, which are based on ILO Conventions and local laws.

We recognize that Mexico has made positive reforms in the 2012 revision of the Federal Labor Law, such as prohibiting exclusion clauses for dismissal and requiring greater transparency of collective bargaining agreements, union registrations and by-laws. We are therefore hopeful that your government will take the necessary steps to ensure that these reforms to the Federal Labor Law are fully implemented at the local level. We are also encouraged that Mexico is

considering ratifying ILO Convention 98, which would reinforce your government's commitment to the right of workers to freedom of association and to bargain collectively.

Thank you for the opportunity to share our concerns with you. We look forward to learning more about the steps Mexico is taking to ensure greater respect for freedom of association, the right to bargain collectively and other fundamental worker rights.

Yours truly,



**adidas Group**  
Gregg Nebel  
VP, Social and Environmental Affairs



**American Eagle Outfitters Inc.**  
Helga Ying  
Vice President, External Engagement and Social Responsibility



**New Balance**  
Dr. Monica J. Gorman  
Vice President, Global Compliance



**Nike**  
Sharla Settlemer  
VP, Sustainable Manufacturing & Sourcing



**Patagonia**  
Wendy B. Savage  
Senior Manager, Supply Chain Social Responsibility  
& Traceability



**Puma**  
Reiner Hengstmann  
Global Director, Sustainability & Compliance



**PVH**  
Marissa A. Pagnani  
Vice President, Corporate Social Responsibility



**The Walt Disney Company**  
Michael J. Widman  
Vice President, International Labor Standards

Cc:

Dr. José Luis Stein Velasco, Titular de la Unidad de Asuntos Internacionales, STPS  
Rafael Adrián Avante Juárez, Subsecretario del Trabajo, STPS  
William H. Duncan, Charge d’Affaires, US Embassy in Mexico  
Carol Pier, Deputy Undersecretary for International Affairs, US Department of Labor  
Robert Berschinski, Deputy Assistant Secretary, Bureau of Democracy, Human Rights, and Labor, US State Department  
Sharan Burrow, General Secretary, International Trade Union Confederation (ITUC)  
Fernando Lopes, Assistant General Secretary, IndustriALL Global Union  
Jason Judd, Vice President of Programs, Fair Labor Association  
Lynda Yanz, Co-chair, Mexico Committee of the Americas Group