

Geneva 10 August 2012

Matti Hyytiäinen
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By email to matti.hyytiainen@pkcgroup.com and fax + 358 20 1752 211

Labor conflict at PKC facilities in Ciudad Acuña, Mexico

Dear Mr. Hyytiäinen,

I am writing to follow up on our discussions about the labor conflict at PKC facilities in Ciudad Acuña, Mexico. As you know, the National Union of Mine, Metal, Steel and Related Workers of the Mexican Republic (SNTMMSSRM) filed a legal demand for control of the collective bargaining agreement at Arneses y Accesorios de México, PKC's local subsidiary in Ciudad Acuña, México. The Federal Labor Board refused to act on that demand.

However, on 4 July 2012, the Ninth Collegiate Tribunal for Labor Matters in the First Circuit granted an appeal filed by the SNTMMSSRM and ordered the Labor Board to proceed with the demand. The Labor Board will now order an election to allow the workers to determine which union they wish to represent them.

IndustriALL is concerned that for any election to be considered legitimate, it must be conducted in a free, fair, and transparent manner. Specifically:

- The employer must adopt a public position of neutrality, making it clear that workers have an absolute democratic right to choose their representative in secrecy, and that there will be no pressure or reprisal from the employer of any kind to support or oppose any union.
- The employer must allow all of the unions participating in the action equal access to its facilities in order to communicate with the workers.
- The employer must cooperate with the Labor Board and the participating unions by providing an accurate list of all employees eligible to vote.
- The election must take place in a neutral location at reasonable times that allow the employees the opportunity to vote.
- Election observers should be given reasonable access to the company facilities and the voting areas in order to verify that the election is being conducted in a transparent manner.

We are very disturbed by reports that PKC is giving the CTM unrestricted access to the workforce inside the facilities during working hours. We are also disturbed by reports that PKC managers are threatening union leaders and telling workers that if the Mineros win the election they will lose their benefits.

Such actions clearly demonstrate interference and domination by the company in violation of ILO Conventions 87 and 98. We call on you to immediately cease these activities and follow the procedures noted above.

Regards,

A handwritten signature in blue ink, appearing to read "Jyrki Raina".

Jyrki Raina
General Secretary, IndustriALL Global Union