

October 15, 2019

Andrés Manuel López Obrador
President of Mexico
Puerta 8 Palacio Nacional, Plaza de la Constitución S/N,
Colonia Centro, Ciudad de México, C.P. 06066, México

Dear Mr. President,

I write to express our concern over the actions of Grupo Mexico S.A. de CV, Mexico's largest mining company, and its American affiliate, Asarco, LLC. Grupo Mexico is controlled by its chairman of the board and president, Germán Larrea, Mexico's second wealthiest individual

Starting on Sunday night, October 13, approximately 1,775 workers represented by the United Steelworkers and other unions in Arizona and Texas began a strike against Asarco. The union negotiators have been frustrated throughout bargaining by the need of Asarco's managers in the U.S. to seek the approval of Grupo Mexico on seemingly every negotiating table decision.

These workers have not received a wage increase since September 30, 2009. Yet the company's "last, best and final" contract proposal contains:

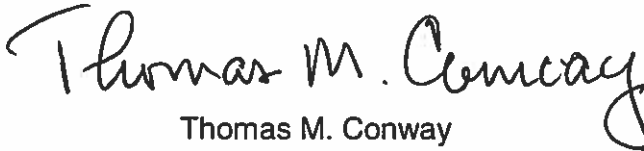
- No wage increases for two-thirds of hourly employees, (meaning 14 years without a raise once the term of the proposed agreement ends);
- No pension increases or 401(k) improvements and a pension freeze at current level for everyone hired before July 1, 2011, with no additional accruals;
- More than doubling out-of-pocket expenses that workers already contribute to the cost of their health care;
- No successorship provision to protect employees if ASARCO decides to sell all or part of a facility during the contract's term; and
- Increased threshold and restricted eligibility requirements for a copper price bonus. Workers depend on this bonus to take care of their families, particularly since there have been no wage increases for a decade, and the increased thresholds would make payouts less likely, and reduce the amount of payments when the bonus is paid.

Asarco has not claimed that economic hardship justifies its harsh proposals. Instead, its punitive proposals are based on pure greed. It is for that reason that workers in Arizona and Texas struck to protest Asarco's harmful proposals and bad faith bargaining tactics.

Beyond the issues at the bargaining table which have caused our strike, you should know that Asarco has long acted in other ways that have harmed workers in the U.S. Just last week, the United States Supreme Court flatly rejected the company's attempt to deny its workers copper price bonus payments ordered by an arbitrator in 2014. Asarco's legal delays have deprived approximately 750 workers of more than \$10 million of pay that they earned. In addition, Asarco has a long record of violating U.S. health, safety and environmental standards, having been cited repeatedly by federal and state agencies for their workplace practices. I can provide you with documentation detailing each and every one of these points.

Mr. President, we know and appreciate that after decades of impunity under other governments, your government has made serious efforts to hold Grupo Mexico and other Mexican mining companies accountable for their violations of labor, human and environmental rights, both in the context of Mexico's own labor reforms and the re-negotiation of NAFTA. However, Asarco's treatment of its U.S. workers demonstrates that Mr. Larrea has not gotten the message. We call on you to help resolve this dispute in a way that reinforces the rule of law and benefits workers on both sides of the border.

Very truly yours,

A handwritten signature in black ink that reads "Thomas M. Conway". The signature is written in a cursive style with a large, stylized initial 'T'.

Thomas M. Conway
International President