

CSR Risk Check



MEXICO

24 country risk(s) have been identified

• LABOUR RIGHTS (9)

DISCRIMINATION & GENDER (4 RISKS)

Significant gaps in both wages (50%) and income (54%) between Mexican men and women, show how women are less valued than men in the workplace. In addition, about half of the women work in the informal sector, which is usually not subject to labour legislation.

30% of women report to have been a victim of violence in the workplace (including sexual intimidation).

Sources: [World Economic Forum, Global Gender Gap Report, 2020](#), [Cimacnoticias, DF: 'paraíso de derechos' no llega a las trabajadoras, 2015](#), [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#)

There are strong signals that people with the following characteristics are discriminated against in Mexican workplaces, and have (much) higher rates of unemployment:

- people with HIV/AIDS
- people with a religion other than Catholicism
- Afromexicans
- people with disabilities
- LGBT people

Sources: [EnLíneaDirecta, Empresas incurren en discriminación laboral hacia personas diagnosticadas con VIH, 2015](#), [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#)

According to Minority Rights Group International, there are strong signals that indigenous peoples in Mexico face discrimination. A particularly vulnerable group are young indigenous women. Coming from different communities throughout Mexico, this group is largely represented but under-reported among those who have been murdered or disappeared en route to work in the **maquiladoras**.

Sources: [Minority Rights Group International, Case Study: Indigenous women in Mexico, 2016](#)

Mexico ranks 32nd in PwC's Women in Work Index 2017, with a total of 33 countries rated according to criteria such as the gender pay gap.

Sources: [PricewaterhouseCoopers, Women in Work Index, 2019](#)

FREEDOM OF ASSOCIATION (2 RISKS)

Mexico scores a 4 on the ITUC Global Rights Index (scale 1-5) for freedom of association and workers' rights, which stands for systematic violations of rights. Workers in countries with the rating 4 have reported systematic violations. The government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under threat.

Sources: [ITUC-CSI, ITUC Global Rights Index, 2019](#)

90% of the collective agreements in Mexico are signed by protection-contract unions, established by employers and corrupt organisations, with the aim of preventing fair collective bargaining.

The labour authorities do not fulfil their obligations in terms of workplace labour inspections. The most vulnerable workers include women and children, many of whom work in the informal economy, with no rights.

Moreover, there are strong indications that anti-union violence, including death threats and murders of union leaders, occurs in Mexico.

Sources: [ITUC-CSI, Survey of violations of trade union rights - in practice 2012-2015, 2015](#), [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#), [ITUC-CSI & CSA TUCA, Audiencia tematica sobre la crisis en el ejercicio del derecho a la libertad sindical en las americas, 2015](#)

LABOUR CONDITIONS (CONTRACTS, WORKING HOURS) (1 RISK)

60% of labour in Mexico is informal. These employees do not have any form of social security or public benefits. In states such as Guerrero, Oaxaca and Chiapas, this number is as high as 80%.

Sources: [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#)

FORCED LABOUR & HUMAN TRAFFICKING (1 RISK)

Migrant workers are vulnerable to forced labour, because they can be threatened with being notified to migration officers if they leave work, or if they do not work hard or long enough. Also, their passports may be taken in custody by their employers.

The Mexican government identified 1,814 cases of human trafficking in 2015 (which means that the real number may be much higher). In most cases, trafficking was related to commercial sex exploitation, forced labour, or forced begging. The most vulnerable groups to trafficking are migrants, women, children, indigenous people, and disabled people.

Sources: [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#)

WAGE & REMUNERATION (1 RISK)

Mexico is one of the countries with the world's highest wage inequality; executives earn on average 11.3 times more than entry-level employees.

Sources: [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#)

• HUMAN RIGHTS & ETHICS (9)

GOVERNMENT INFLUENCE (4 RISKS)

Mexico is considered to be "partly free" according to the Freedom House Country List. This means that there is an oppressive regime, with regard to civil liberties.

Sources: [Freedom House, Freedom in the World, 2020](#)

Citizens, but also Mexican soldiers and policemen that violate human rights and commit crimes (under international laws) are not prosecuted. Read more about this in the reports of [Amnesty International](#) and [Human Rights Watch](#).

Sources: [Amnesty International, Report 2017/2018 - The state of the World's Human Rights, 2018](#), [Human Rights Watch, World Report 2020 - Events of 2019, 2020](#)

There are strong indications that attacks on journalists intensified during the campaign for the legislative elections of June 2015. These attacks included threats, intimidation, temporary deprivation of freedom and cyber attacks.

According to the figures of the National Human Rights Commission, 100 reporters have been killed since 2000, 21 journalists have disappeared since 2005 and there have been 45 violent attacks on media organisations since 2006.

Sources: [Equal Times, The relentless attack on Mexican journalists, 2015](#)

Mexico is ranked 143 out of 180 countries in the World Press Freedom Index with a score of 45,45 on a scale from 0 (best possible score) and 100 (worst possible score). This means that press freedom is limited.

Sources: [Reporters Without Borders, 2020 World Press Freedom Index, 2020](#)

CONFLICTS & SECURITY (4 RISKS)

Organised crime is a major issue in Mexico. In the state of Guerrero (one of the less safe states), 4,800 companies had to close in 2015 due to extortions and kidnappings.

Sources: [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#)

In Mexico, there is a low level of security because of the almost daily confrontations between civil and military groups and drug cartels, as well as amongst drug cartels. It has been reported that members of all security forces have carry out forced disappearances; in some cases even in direct collaboration with criminal groups.

Moreover, it is stated that numerous municipal and state police forces have been infiltrated with people from drug cartels.

Sources: [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#), [Bertelsmann Stiftung, BTI 2018 - Mexico Country Report, 2018](#)

Amnesty International reports that in 2015, more than 200 undocumented migrants were violently attacked and several killed by armed groups.

It has been found that in at least some of these occasions, this was done by private security companies in cooperation with local and federal authorities.

Sources: [Amnesty International, Mexico must investigate shocking spike of attacks and killings of migrants, 2015](#), [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#), [Sinembargo, ONGs ligan a seguridad privada contratada por gobiernos con el asesinato de migrantes, 2015](#)

Land right defenders are particularly vulnerable in Mexico: between 2009 and 2012, the Mexican Centre for Environmental Law (Centro Mexicano de Derecho Ambiental – CEMDA) numbered more than 50 cases of attacks, including killings, against land and environmental human rights defenders. In 2015, four environmental activists have been killed in Mexico.

A similar trend is visible for human rights defenders, who have been victims of violent attacks from governments (from local to federal), large companies, organised criminal groups, or a collaboration between these.

Sources: [The Observatory for the Protection of Human Rights Defenders, "We are not afraid" Land right defenders: attacked for confronting unbridled development, 2014](#), [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#), [Global Witness, On dangerous ground, 2016](#)

LAND USE & PROPERTY RIGHTS (1 RISK)

Mexico does not have an organisation that regulates the value of land in the country. As a result, companies that lease or buy land from indigenous land owners pay a lot less than what the land is actually worth.

According to the NGO 'Revolución 3.0', there were 418 territorial disputes between companies and citizens in 2015. This differs a lot from the official number that the Mexican government registered; those were only eight.

Sources: [Upside Down World, The Dark Side of Clean Energy: Industrial Wind Plantations in Mexico, 2016](#), [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#), [Revolución 3.0, Más del 40% del territorio nacional ha sido concesionado a transnacionales, existen 418 puntos de resistencia, 2015](#)

• ENVIRONMENT (4)

WATER USE & WATER AVAILABILITY (2 RISKS)

Mexico faces moderate to severe freshwater scarcity from February to May or June. Especially in northern Mexico, this scarcity lasts for more than half of the year. As a result, 90 million people live under severe water scarcity for at least part of the year. For 20 million of these, this lasts all year round. Groundwater depletion is also a major problem in Mexico.

Sources: [Science Advances, Four billion people facing severe water scarcity, 2016](#)

The mining industry in Mexico is a large consumer and polluter of drinking water. The industry uses approximately 430 million cubic meters of water per year, while there are roughly 14 million people in Mexico that do not have access to clean drinking water.

Sources: [Contralinea, Mineras: acaparadoras, contaminantes y evasoras fiscales, 2016](#)

BIODIVERSITY & DEFORESTATION (1 RISK)

The southern coast of Mexico's Yucatán Peninsula, is threatened by unregulated development, inefficient sewage treatment and poor waste management caused by increasing tourism. This damages stromatolites, coral-like organisms found in only a handful of places around the globe.

Furthermore, the elkhorn coral is endangered due to deterioration of water quality by various pollutants and the sudden increase in sea surface temperature.

Sources: [Ecologist, Tourism in Mexico threatens to wipe out one of the earliest lifeforms on earth, 2018](#), [Biological Diversity, Mexico's ten most iconic endangered species, 2018](#)

SOIL & (GROUND)WATER CONTAMINATION (1 RISK)

According to the 2016 Atlas of Water, 35 of 51 main rivers in Mexico are heavily polluted. The 8 largest rivers, representing 87% of the total surface water, are among the most contaminated. The main source of the pollution is wastewater dumped in the sewage systems. The sewage water is discharged without treatment on the rivers. This results in a reduction of available clean drinking water for the population.

Sources: [TeleSur, More Than Half of Mexican Rivers Severely Contaminated: Report, 2017](#)

• FAIR BUSINESS PRACTICES (2)

CORRUPTION (2 RISKS)

Corruption remains widespread and increases in Mexico, and is most common in public procurement and other public services. Corruption is a significant risk for foreign companies in Mexico. Bribery is widespread in the country's judiciary and police, and business registration processes, including getting construction permits and licenses, are negatively influenced by corruption. There is no legal protection for people reporting cases of corruption.

Sources: [Business Anti-Corruption Portal, 2019](#), [The Danish Institute for Human Rights, Guía de Derechos Humanos y Empresas en México, 2016](#)

According to the Corruption Perceptions Index, the corruption score of Mexico is 29, on a scale of 0 (highly corrupt) to 100 (very clean). This means that the risk of corruption in Mexico is very high.

Sources: [Transparency International, Corruption Perceptions Index 2019, 2020](#)
