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President: Berthold Huber General Secretary: Jyrki Raina

Geneva, 19 July 2016

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IndustriALL Global Union calls on KONE to enter into dialogue to safeguard working conditions and customers' safety in its operations worldwide

Dear Mr. Ehrnrooth,

I am writing to you on behalf of <u>IndustriALL Global Union</u>, which represents more than fifty million workers in mining, energy and manufacturing industries in some 140 countries throughout the world, including the unions with membership at worldwide operations of KONE.

IndustriALL organized a global mechanical engineering conference in Bern, Switzerland, at the end of 2015, with the participation of trade union representatives from major lifts and escalators companies representing more than 200,000 workers from all continents, including KONE, to discuss working conditions and fundamental workers' rights.

At the end of the conference, delegates unanimously adopted a resolution (see annex), which was then discussed among IndustriALL affiliates worldwide representing employees in the lifts and escalators' sector. This resolution contains specific demands to major companies to ensure fair working conditions, respect fundamental workers' rights, and guarantee proper healthy and safe working environments at all your operations worldwide.

I herewith call on KONE to enter into dialogue with IndustriALL Global Union to achieve better working conditions at your operations worldwide, in full compliance with national legislation and international labour standards, including ILO Convention 87 on Freedom of Association and Protection of the Right to Organize, and Convention 98 on the Right to Organize and Collective Bargaining.

In order to achieve the full implementation of internationally recognized workers' rights at KONE, I urge you to engage in a dialogue with a view to establishing fair industrial relations and addressing our demands. For this purpose, IndustriALL Global Union and its affiliates are prepared to meet with you soon for an open discussion.

I anticipate your quick reply.

Yours sincerely,

Jyrki Raina General Secretary

ANNEX

Resolution adopted at the Global Mechanical Engineering Conference in Bern, 23-24 November 2015

Work and Technical Security in the Lifts and Escalators Sector

Lifts and escalators are the safest means of transport in the world, with the lowest accident rates among users.

Safety measures must serve to keep the level of accidents low, for both users and workers.

The European Commission has pointed out the big difference in safety measures and regulation for lifts and escalators among member States. It also outlined the limitations of the 1995 Directive on lifts and escalators in reducing this gap in safety standards, taking into account the long service life of lifts and escalators (40-60 years).

Now, some countries (such as Spain) are falling behind with the levels and patterns of security achieved in the installation and maintenance activities within the lifts and escalators sector. In many cases, companies which sign the installation and maintenance contracts are not doing the inspections themselves. Often these inspections are carried out by freelance workers instead of the employees of the contracting companies.

The sector is suffering a negative trend towards deregulation with no maximum limits in the ratio of serviced lifts and escalators per worker. In addition, responsibility for inspection and regulation of the lifts and escalators sector is often divided between different levels of government, making it more complex to regulate and control safety.

European regulation fosters competition with the aim of reducing prices in the sector. However, this has had adverse consequences on working conditions and safety.

For example, not all companies make it compulsory to have two workers for an inspection, even though it is safer. Nor is there a limit to the number of lifts and escalators that one operator can inspect per month. As a result, there is a clear decrease in the quality of inspections and safety levels in the sector.

Trade union action should be oriented to increase security in installation and maintenance activities and to enforce directives and safety rules.

We have to develop joint actions to achieve the following objectives:

- 1. Installation and maintenance must be done by registered companies which comply with the regulations of the sector. To this end, the Lift Directive must be considered as a crucial reference to increase and maintain safety in the sector.
- 2. Workers must achieve the required competences and licenses for carrying out installation and maintenance. Workers should be employed by the authorized contracting companies, and outsourced and freelance labour should be minimized. In addition, companies must report the fulfilment of these requirements to the authorities.
- 3. Registered companies must report periodically a list of employees to the supervising authorities.
- 4. It is essential to have transparency and access to information concerning the fulfilment of the safety and service level requirements by authorized companies. We must foster the implementation of tools and systems to guarantee that this information is available for all stakeholders, and also for the customers who contract the services.
- 5. To study ways to limit and minimize the subcontracting of freelance workers or non-authorized companies in the sector.
- 6. Authorized companies must sign liability insurance and guarantee that it covers the subcontracting companies used in installation and maintenance activities, and also their workers.
- 7. To recommend the recruitment of regional safety delegates and demand special procedures for dangerous activities within the sector.
- 8. To demand that companies with serious and repeated failures have their authorization removed.

Bern, November 2015, Geneva, July 2016