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President: Jörg Hofmann General Secretary: Valter Sanches

Geneva, 12 January 2018

Graham Kerr Chief Executive Officer South32 Ltd Brookfield Place L 32 125 St Georges Tce PERTH, WAS 6000 Australia

Sent by email to: Graham.kerr@south32.net; alex.volante@south32.net

IndustriALL Global Union calls on South32 to intervene at its Colombian subsidiary Cerro Matoso to guarantee respect of labour rights

Dear Mr. Kerr,

I am writing this letter to you as the General Secretary of <u>IndustriALL Global Union</u>, which represents more than fifty million workers in mining, energy and manufacturing sectors throughout the world, including Australia and Colombia, to call on South32 to intervene at its Colombian subsidiary Cerro Matoso S.A. to guarantee the full respect of fundamental workers' right in the mine.

IndustriALL Global Union is deeply concerned over reports from SintraCerroMatoso, which is the union representing nearly 500 workers out of a workforce of 853, calling attention to the serious deterioration of working conditions in the mine.

This is a long-standing conflict that goes back to 2015 when workers, on account of the decision of the company to unilaterally impose a 12-hour work day—which is in violation of the collective agreement—and a break in the negotiations, were left no choice but to go on strike. Even though the strike was legal, Cerro Matoso fired 27 workers.

The opposition of the union to this grievous and consequential decision was due to the workers' concern about the impact this would have on their health and safety, in an operation where the impact on workers' health is very high. Indeed, with a workforce of about 1,200 workers in previous years, the company reported about 14,000 days of disability per year. By reducing labour to 853 workers, the number of days of disability has not decreased but has increased instead.

In addition, it is important to note that the 27 dismissed workers are all sick, with capacity losses, in most cases, of over 30 percent. We understand that the law of 'manifest weakness' protects workers with more than 15 percent loss of capacity, and, in consequence, cannot be dismissed without prior authorization from the Ministry of Labour, which is a requirement that was not fulfilled in this case.

We consider that the behaviour and decisions taken by Cerro Matoso constitute a violation of the fundamental rights of freedom of association and collective bargaining. Therefore, we urge South32 to intervene to suspend dismissals, reinstate all the workers, and ensure that Cerro Matoso establish a genuine dialogue with the union.

Furthermore, IndustriALL Global Union would like to propose establishing a global dialogue with your company, which we strongly believe would be beneficial to the company and workers alike.

I anticipate your swift action and immediate reply.

Sincerely,

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Valter Sanches, General Secretary