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TO
MRS. ELLA SKYBENKO,
EASTERN EUROPE & CENTRAL ASIA
SENIOR RESEARCHER &
REPRESENTATIVE OF
BUSINESS & HUMAN RIGHTS
RESOURCE CENTRE

skybenko@business-humanrights.org

TO
MRS. VLADYSLAVA KAPLINA,
EASTERN EUROPE & CENTRAL ASIA
RESEARCH ASSISTANT OF
BUSINESS & HUMAN RIGHTS
RESOURCE CENTRE

kaplina@business-himanrights.org

DEAR MRS. SKYBENKO,
DEAR MRS. KAPLINA,

Thank you for the opportunity you have given to us to provide responses to the allegations in the CEE Bankwatch Network report (<https://bankwatch.org/publication/raw-deal>).

We highly appreciate this opportunity considering the circumstance that the authors of the concerned report never and at no point after its release gave us such a chance.

Furthermore, we congratulate you and your organization for this approach.

We firmly declare that the allegations made regarding Asarel-Medet JSC in the report are false and we consider them maliciously misleading and biased. Thank you for giving us the opportunity to disprove them.

Above all, we question the professionalism and impartiality of the research which was allegedly conducted in the region of Panagyurishte within the period November 2 – 22, 2019. It is indicated that the research was awarded by the CEE Bankwatch Network to Free Information Surveys EOOD, a company which is based in Stara Zagora and was registered in the Bulgarian Trade Register under Unique Tax Code 205766193 on July 30, 2019. The company's core activity as stated in the Register is market surveys and strategic analyses, consulting services for business units, entities and



governmental institutions and any other business activity which is not legally prohibited as if such an activity requires a registration or permit regime, the company is entitled to perform it after its registration or respectively after obtaining its applicable permit or license. This extremely broad definition of its activities and the 3-month period from the registration of Free Information Surveys EOOD to the time when the research was conducted cast suspicion on its presentation as a "professional sociological company" which is not known to the publicity in our country. Moreover, we could not come across another study by the same "sociological company" in the publicly available data.

The above stated questions *per se* the legitimacy of the aforementioned research and the impartiality of the conclusions drawn based on it. Moreover, names that have been notorious for their biased and fact deprived invectives on the Bulgarian mineral commodity industry for decades are observed among the authors of this research. The different in this case is that partial financing from European Union funds is indicated but without the project reference number which would enable us to make inquiries and obtain more information on this project from the relevant registers.

What are we disproving?

Asarel-Medet JSC operates a copper mine, but not a gold mine, as the research in question alleges. Even just this detail is indicative of either profound ignorance of our operations or neglect of material facts.

The allegation of "precarious" and "low paid" working conditions is false and the disclosed data is wrong.

An allegation has been made that the average salary of the workers and employees at our company was 800 Euro in 2018. Indeed, the average salary for our company was 1,631 Euro in 2018 or twice as much. In 2018, the minimum salary in Bulgaria was 261 Euro and the average salary in the country was 586 Euro, according to data from the National Statistical Institute (https://nsi.bg/sites/default/files/files/pressreleases/EmplsSalary2018q4_B7B41DP.pdf).

Drawing a conclusion about "precarious and low-paid working conditions" in an unbiased manner is not feasible against this background which again fuels our doubts in the research and the conclusions based on it.

Contrary to the authors' allegations, Asarel-Medet JSC has been an attractive and preferred employer in the municipality of Panagyurishte and the specifics of the mining industry enable it to ensure a long-term outlook for development and secure jobs in the regions where mineral deposits exist.

No unequal treatment is applied to our workers and employees.

The staff hiring procedures at our company exclude any individual negotiation of their remuneration amount and adhere to the principle of "equal pay for equal work". Like in 2019, we do not currently have any employees hired through an employment agency who could possibly be assumed to be treated unequally in terms of their remuneration. Such a practice does not exist at our company.

A Code of Ethics and strict anti-discrimination procedures have been adopted at Asarel-Medet JSC which are also explicitly regulated by the Rules for the Internal Labor Order.

We apply high standards when selecting subcontractors with whom we partner under commodities and services delivery contracts.

When such a necessity occurs, Asarel-Medet JSC conducts open tender procedures or tender surveys for the commodities and services delivery (for example, for construction tasks, repair works, consumables delivery, etc.). In order to replicate our good experience as an employer, standard terms and conditions that regulate our requirements for ensuring occupational health and safety,





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environmental protection and ethical business conduct, including equal treatment in the workplace form an integral part of our contracts with all our contractors.

We do not have information about the specific amount of labor costs of our business partners, but we deeply doubt the conclusions drawn given the above and considering the volume of our orders and the labor market in the region.

We do not control the trade unions, but we are proud of our cooperation

A Collective Employment Agreement concluded with the two trade unions developing activities is effective at Asarel-Medet JSC and an Industrial Collective Employment Agreement between the employers in the mineral and raw materials industry and the national mining trade unions is in place in Bulgaria.

The allegation that we, as an employer, “control” the trade unions is not only erroneous, but also belittles our considerable efforts to engage constructively with them in order to uphold the interests of our people. We treat the work of the union representatives with respect and the good social interaction is among the values of our corporate culture.

Asarel-Medet JSC is considered among the paragons in Bulgaria in this area and we believe that this can be confirmed by any unbiased and professionally survey, including by an independent enquiry of the mining and national trade unions in the country.

We do not suppress, but encourage the voice of our workers and employees.

The voice of the workers and employees is not only not suppressed, but encouraged at Asarel-Medet JSC. We have an inclusive corporate culture that encourages critical thinking as a resource for improvements.

The company publishes a monthly company magazine which is distributed to all its workers and employees. A permanently published column in it enables them to report any grievances to a hotline that provides a direct contact with the management. Our Executive Director meets with randomly selected workers who can share their concerns on a regular basis.

We question the authenticity of the enquiry and we are willing to address promptly any grievance about the occupational conditions

An integrated management system has been introduced at Asarel-Medet JSC and the ISO 18001 International Standard for Ensuring Occupational Health and Safety forms part of it.

If the allegation that our employees have complained about their occupational conditions were true, we would appreciate to be provided with information about the issues raised since this will enable us to undertake immediately all required measures to verify the grievances and assess the risk. Any such information is considered as a priority and is discussed at the Occupational Conditions Committee which recommends preventive and remedial actions. Health and safety are unconditional value for us!

It is not true that we hinder agriculture.

Contrary to the allegations in the research in question, the area of Panagyurishte municipality in Bulgaria is a paragon of a mutually harmonious development of the mining industry and agriculture, including organically certified agriculture. This is evidenced by the fact that a distillery for essential



oil crops processing was operating in Panagyurishte producing organic rose and lavender oil (<https://inaessentials.com/pages/za-nas>) as well either before the research period in 2019, the time of the analysis release in 2021 and currently. The pace of its development and its success is made apparent by the fact that the winner selected as Farmer of the Year for 2023 in Bulgaria is precisely an organically certified farmer from Panagyurishte (<https://forbesbulgaria.com/2024/02/09/vasil-ralchev-militsa-zikatanova-win-agri-awards-2024>).

We emphasize that we run our operations and manage all our facilities adhering to the highest standard of environmental protection and regulatory compliance. Taking care of nature is a priority in our sustainable development policy and programs. Moreover, it is a conscientious responsibility and commitment of all people in our team since over 93% of the company's workers and employees are local residents and are directly interested in living with their families in a clean environment.

We are taking advantage of the opportunity to confirm that, like before, we will consider any constructive proposal to improve the company's environmental policy and will continue actively interacting with our stakeholders when this dialogue is based on expert opinions, but not on speculation, misrepresentation of facts or outright lies.

As a conclusion, we would like to thank you once again for the opportunity to disprove the false allegations and draw your attention to the need of verifying independently the sources of the research in question as long as you also become sure of its legitimacy and level of expertise.

We remain at your disposal to answer any additional questions that you might have.

April 10, 2024

Best regards,

**Executive Director of
Asarel-Medet JSC**
Eng. Nikolay Peltekov



**Chairperson of the
Supervisory Board of
Asarel-Medet JSC**
Dimitar Tsotsorkov

