

SIBEL LTD

Policy about Conflict Minerals

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Background information

In August 2012, the U.S. Securities and Exchange Commission (SEC) introduced rules which oblige the industry representatives using gold, tin, tungsten and tantalum, to check where supply of raw material comes from. The aim is, they do not originate from conflict points such as Democratic Republic of Congo (DRC), where in military activities in the period 1998 - 2003, there were 5.4 million people killed.

"Conflict minerals" are minerals mined in conditions of armed conflicts and in ongoing human rights abuses, especially in the eastern provinces of the Democratic Republic of Congo.

SIBEL, as a Bulgarian company, a representative for the local market of several leading European manufacturers of electrotechnical goods, is not directly affected by the rules regarding "Conflict minerals". Nevertheless, we pay attention to international developments with regard to business-ethics, social and environment standards.

Commitment of SIBEL

We would like to ensure and build a supply chain, that does not contain goods produced from raw materials from such conflict points. It is a question of good reputation for us, and a possibility of diversifying the supply sources. Therefore we are committed to:

- to trace the factories, suppliers, subcontractors and origin of the the materials, they use before they are processed and used in some form in manufactured products;
- not to buy products and materials containing conflict minerals directly from conflict mines;
- to ask our suppliers to ensure that any conflict minerals contained in products and materials supplied to SIBEL not originate from conflict mines;
- to provide information to customers on the compliance of products we deliver with the regulation "Conflict minerals".

Measures of SIBEL

For the implementation of actions to achieve these commitments, we have taken the following measures:

- we developed and used tools for evaluating the performance of the suppliers. When selecting contractors apart from the price we take into account criteria like: profitability, financial stability, health safety and environment, innovation, production capacity and supply, opportunities for service maintenance, technical parameters of the goods and the materials. We perform constant monitoring of the quality of supplies, including preceding the conclusion of supply contracts visits and inspections to the manufacturing site.
- requiring our suppliers to meet requirements of the international standardization organizations in terms of conflict minerals and to execute due diligence to investigate the source of such minerals.
- we require our suppliers to respond promptly to our requests for evidence of compliance.

SIBEL by means of the official website and the long-term supply contracts show to the suppliers in our supply chain our position about non-use of minerals mined in the condition of armed conflicts, illegal mining operations and poor working conditions. The mentioned minerals are referred as "conflict minerals". Suppliers in the SIBEL supply chain are also asked to not use the above "conflict minerals" in the goods and components they supply. We hope that the self-regulation of the supply chain will lead to real actions about the "Non-use of Conflict Minerals".

