



STATEMENT

REGARDING THE CONTINUED SUPPORT OF THE PRINCIPLES OF THE GLOBAL COMPACT BY KIRIL ASENOV - CEO OF AREXIM ENGINEERING EAD

"Arexim Engineering" EAD clearly and firmly states its continued support of the principles of the Clobal Compact in the four areas – human rights, labour standards, environment, anti-corruption. Our company has a social commitment to its employees, the region and the society, and it consistently operates in compliance with that commitment. Our main values are related to the responsible conduct, sustainability, labour safety, respect and support, ethics. We have made it our responsibility to contribute to the sustainable economic development, the proper employment relations with our workers, their families, the local community and the society in general, for the improvement of the quality of life.

The Management Board of "Arexim Engineering" EAD expresses its responsibility to the workers at the Company by pursuing a focused social policy in their respect, corporate and social policy and ensuring health and safety at work.

The Company's system of values underlines all the business relations and is actively disseminated through all the methods, permissible for management. The main principles for the development of "Arexim Engineering" EAD are honesty, transparency, uprightness and respect in all relations.

The company continues to work to the benefit of the local community in the Smolyan Region, creating new jobs, contributing to the protection of the environment and participating in socially responsible events.

The Progress Report presents the Company's actions, aimed at the ongoing improvement of the policies, related to the corporate social responsibility, their transformation into a part of the organizational culture and values of the company and the constant application of the principles of the Global Compact in the Company's business strategy.

CEO of Arexim Engineering EAD





PROGRESS REPORT BY

"AREXIM ENGINEERING" EAD SMOLYAN

FOR 2018

Description of the Business

"Arexim Engineering" EAD carries out the complete process, starting from the design of the injection mould to the actual production of the finished product and its distribution. We manufacture more than 1000 types of technological plastic products for over 25 Bulgarian and foreign customers, processing more than 7000 tons of engineering plastics annually and meeting the ever-growing needs of our customers, by constantly implementing innovations, purchasing new machinery, optimizing the production process and expanding our facilities.

Arexim Engineering's customers include multinational giants, such as Schneider Electric, Bosch, Liebherr, Festo, Makita, Kostal etc.

Arexim Engineering continues to keep, promote and protect the human rights of any individual, irrespective of racial or ethnic origin, age, gender, belief, national or social origin, material, social or otherwise.

Arexim Engineering respects and supports the interests of its employees, customers and the community as a whole.

Production Facility

"Arexim Engineering" EAD is a manufacturer of plastic products, tools and tooling. Our company performs the entire process from the design of the injection mold to the finished product manufacturing and distribution.

Our production lists are constantly growing. Our clients too. In recent years, we have attracted five new customers from different market segments. We are also developing new projects with our current customers, which imposes and reinforces the company as the leader in Bulgaria in this field.

The production base

Our production base is continuously expanding and bettering itself. In 2018 a second hull was put into operation, where a part of the production of plastic parts was exported. The old-fashioned and amortized cooling system in the factory for the manufacture of plastic products was replaced with a more modern two-circle system. The canteen has been enlarged. Construction of a sports field has began. As a technological improvement in the Instrument production is the commissioning of a 5-axis HERMLE milling machine. These are just a part of the updates and expansion activities enriching the production base.

Employees

The sustainable development of Arexim Engineering is based on its extensive experience in the past years, the modern equipment and facilities and most importantly on the qualified and well trained personnel.

The company employs more than 700 people – operators, engineers and expert staff, having vast knowledge and expertise in their own areas, with diverse experience, interests and origin, but united by a common goal – ongoing improvement and development.

The favourable working conditions, good working environment and excellent relations between the co-workers, the equal opportunities for recruitment and development are the main motivating factors for our employees, to educate themselves, to undergo training and to constantly develop.

HUMAN RIGHTS

Principle 1: Support and respect for the protection of the human rights. Principle 2: Make sure that we are not complicit in human rights abuses.

Assessment, policy and objectives

Arexim Engineering supports, promotes and protects the human rights of each individual person, irrespective of their race or ethnicity, age, gender, beliefs, national or social origin, material, social or other status.

Arexim Engineering respects and supports the interests of its employees, customers and the community in general.

Fundamental values of the company are and continue to be the protection of human rights, including the right to life, freedom and security, work and rest, living standards, education, the right to participate in both cultural life and scientific progress among others.

The company's policy is represented in the following documents:

- · Ethical Code of Conduct for Workers and Employees of Arexim Engineering;
- · Internal Labor Regulations;
- Internal organizational structure.

Since 2018, Arexim Engineering has developed and implemented a procedure for collection, processing, storage, deletion and protection of personal data. The procedure is designed in accordance with regulatory requirements and aims to establish such an organization in the process of collecting, processing and storing personal data that fully guarantees their protection and protection within the meaning of European Union Regulation (EC) 2016/679 Parliament and the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data. All activities in the company that require the collection, processing, storage, deletion, and protection of personal data are covered. For each activity, a personal data log has been created. For each registry, an instruction is written, approved and applied. Any person whose personal data is contained in the registers shall have access to them. Access is denied without a written request or without a proper power of attorney when the access request is requested through an agent. An organization has been set up to carry out communication, reporting, complaints and requests for the exercise of rights regarding personal data.

Annual monitoring of procedures and instructions developed and implemented according to the requirements of internationally recognized quality and environment standards is being carried out. This fully guarantees a safe and healthy working environment and reduces the harmful impact on the environment.

The implementation of internationally-recognized quality and environmental standards ensures the safe and healthy working environment and mitigation of the harmful effects on the environment.



Performance

The corporate policies, procedures and documents are accessible by each employee, working at Arexim Engineering through the internal information portal ARQUS and on the information boards.

Information, regarding the Company, the corporate social responsibility, vacant jobs announcements, news about the business operations etc. are published on Company's website www.areximengineering.bg

A key document in the company is the **Code of Ethics**, which establishes the organizational culture and which clearly contributes to the development and implementation of common standards of conduct, enables objective observations and evaluations, and expands the individual culture.

Arexim Engineering monitors the observation of the minimum social standards, both in its own company and in the business relations with its partners.

Each of us is entitled to respect and human dignity.

Arexim Engineering maintains up-to-date its **organizational structure** and carries out monitoring on a yearly basis.

The job description for each position details the relations and interactions of the employees and their sub-ordinance.

The Internal Labour Regulations detail the working hours, rests and leaves. These are accessible to each and every worker and employee of the company. The management strives to establish favourable working conditions, good working environment and a team spirit.

The main drivers of the company are its people.

When Arexim Engineering started its business operations, after the major political changes in Bulgaria, it had the chance to rely on firm foundations – the skills and knowledge of good specialists. Back then it managed to attract older and younger employees, and to establish a team, which has been constantly developing through the years. Currently, the Company employs 770 workers and employees. The competences are transferred from the older to younger.

And everyone is important along the chain, irrespective of their race and ethnicity, age, gender, persuasion, national or social origin, material, social and other positions.

http://www.arexim.bg/novini/b-areksim-vseki-e-vazhen-po-verigata/

We are successful, because most of our young employees have actually started working at the company at the lowest levels. Here they have developed, undergone special training for the jobs that are of interest for us, and this is the main formula, which ensures our success. Our specialists are among the best in their respective areas.





http://www.arexim.bg/novini/intervyu-s-anastas-kiryanov-pabotata-e-interesna-za-men-taj-kato-ima-nepovtorimost-vav-vremeto-i-slozhnostta/ http://www.arexim.bg/novini/intervyu-s-hristo-radev-menidzhar-tehnologiya-na-protsesite/





http://www.arexim.bg/novini/daniela-pazvantova-blagodarna-sam-na-areksim-inzhenering-che-mi-podade-raka-pozvoli-mi-da-se-ucha-razvivam-i-me-izgradi-kato-profesionalist/http://www.arexim.bg/novini/intervyu-s-petar-gabrovski/

Education

In a rapidly developing engineering and technology, we are keen to provide and we do provide the students from secondary schools in the town and region a quality education and the opportunity to develop in modern and desired by them areas. Robotics is one of the areas, which lately is of interest to young people and has real application in practice. Therefore, we support the initiative of the oldest secondary school in Central Rhodopes, the Profiled High School of Mathematics and Natural Sciences "Vasil Levski" - Smolyan to organize a course in robotics. With the two robots purchased and the setting up of a robotics club, we enable students to be taught in the STEM training method, to participate in practical exercises and to experiment. We encourage them to share their ideas and contribute to the development of group projects.



Our cooperation with the Vocational Secondary School of Engineering and Technology in Smolyan dates from more than 15 years and as a result of our common efforts, the first classes in which students will be trained in the dual form are already in place. Vocations are adapted to the labour market requirements in Smolyan and definitely enhance the employability of every graduate.

It has become a tradition, Arexim Engineering to support the participation of students in regional, national and international competitions.





http://pgsgst.org/new/shell-eco-marathon-2017-london/

One of the Arexim Engineering priorities is to support Bulgarian higher education through participation in joint projects and forums.

Every year our specialists participate in Scientific sessions, conferences and scientific forums.

The Faculty of Physics and the Students' Council of Paisiy Hilendarski University organized the next National Student Scientific Conference on Physics and Engineering Technologies.

More than 80 people - more than 20 different institutions, universities, institutes, schools and companies - gathered in Plovdiv from 30 November to 1 December 2018.

The event is annually and provides a forum for young scientists, students and PhD students from the higher schools in the country and the Bulgarian Academy of Sciences. Young future specialists have the opportunity to present their scientific papers, projects and research.

The jury has ranked and awarded the best-performing participants.

To our pride in the "Best Report" category, second prize was won by our colleague Stoyan Rammulchanov with a report on "Experimental studies of the reactive properties of lubricating-coolants".

Stoyan Ramulchanov is a third-year student at the Faculty of Physics, specialty "MTT".

He came to our company as a student. He spent two consecutive years as a trainee, after which he became a student and was supported financially and through the experienced specialists at Arexim Engineering, he has been working and studying for the third year. From a trainee student, passing through different units and different positions, Stoyan opened his vocation in the CC and since last year he has been a Technologist.

We are proud of our young, ambitious and searching employees, one of which is Stoyan.

We support them, help them, encourage them. Because we all realize the future is in their hands ... Arexim Engineering participates on an annual basis in job fairs organized by universities and other organizations. There, in an informal environment, young professionals, university students and secondary school students meet global high-tech companies, innovators, youth organizations

Our company welcomes initiatives for raising public awareness of its operations and visits of students from the city and the region. Through exactly such initiatives, we strive to provoke interest in young people to choose their future career path to be related to engineering disciplines.

Participation in public events

Arexim Engineering supports and takes an active part in public events organized in the whole district. One of them is the football tournament for workers, in which Arexim Engineering participates every year and ranks prize-winning places.





Measurable results

Arexim Engineering has received no reports on any abuse of the rights of its employees and customers or any related third-parties.

LABOUR STANDARDS

<u>Principle 3. Upholding the freedom of association and the effective recognition of the right to collective bargaining.</u>

Principle 4. The elimination of all forms of forced and compulsory labour.

Principle 5. The effective abolition of child labour.

Principle 6. The elimination of discrimination in respect of employment and occupation.

Assessment, policy and objectives

"Arexim Engineering" EAD carries out a fully socially responsible business, focused on the health and safety of its employees. No forms of compulsory or forced labour are allowed. No child labour is ever used. Proper working hours, rests and leaves are well regulated.

The Company has a well-organized and clear HR policy, ensuring equal opportunities for education, training and development, in strict observation of the labour legislation.

This policy is regulated in the Code of Ethics and in the following procedures:

Procedure "Provision and Management of Human Resources"

- Procedure "Training"
- Procedure "Annual Individual Personnel Assessment"

Performance

The Code of Ethics pays special attention to:

Observation of the legal provisions

All the active national and other laws and regulations must be strictly observed.

• Prohibition of forced and child labour

Arexim Engineering carries out a fully socially responsible business, focused on the health and safety of its employees. No forms of compulsory or forced labour are allowed. No child labour is ever used.

• Disciplinary measures

All the forms of forced labour are strictly prohibited. Any corporal punishments, mental and physical compulsion, as well as verbal abuse, are strictly prohibited.

• Working conditions and remuneration

The current national legal labour regulations must all be observed at all times. The salaries and other financial benefits and support must meet the legal regulations and/or the standards of the local production economy. They must be clearly defined and paid on a regular basis. Working extra hours is permissible, if required due to short-term production needs.

Health and safety at work

All necessary measures, ensuring health and safety at work, must be in place. Any and all conditions or arrangements at the workplaces, at the resting places and the labour conditions, which may violate human rights, are strictly prohibited. All the employees must participate on a regular basis in the training in health and safety at work.

The "Provision and Management of Human Resources" Procedure details the activities of the Human Resources Department, related to the selection, recruiting and employing workers and employees at Arexim Engineering.

The selection and recruiting of the employees takes place in accordance with clear rules and criteria for the evaluation of the applicants, according to the requirements of each job.

Each and every applicant for a vacant position at Arexim Engineering may send a CV online or leave it at the main gate of the company. The CVs should outline respective applicant's competences, qualifications, experience and expectations.

People, willing to work at the Company are free to state their intentions and desires, to get acquainted with the workplaces and labour conditions. All the interviews take place in complete transparency, as the applicants are provided with all relevant information. The basic competences, required by the Company are assessed, along with the specific knowledge, skills and experience, necessary for each position.

All the employees sign employment contracts, which ensure:

- 1. The right to work.
- 2. The right to receive remuneration.
- 3. The right to a daily rest and non-working weekend (or other day's).
- 4. The right to paid annual leaves.
- 5. The right to working apparel.
- 6. The right of expression, sharing personal opinions on various matters, related to their work.
 - 7. The right to social benefits.

The "Training" Procedure – upon joining the company, the training of the operators in the production process takes place in accordance with the Mandatory Inductive Training Plan. Each new operator is assigned to a Training Specialist and for at least 5 working days, they get acquainted with the main documents, working guidelines, details, packages, machinery,

organization of the processes, customers. This adaptation period continues at the workplace, by means of daily training and ensures equal start to all new employees of the Company. Refreshment training takes place every six months. Each stage of the training is reported in an individual file.

The training of the new employees at expert positions, is carried out based on individual plans, prepared by the respective department, coordinated with the direct managers and approved by the CEO.

Arexim Engineering provides ongoing access to new knowledge and development of the skills and competences of its employees, by organizing and carrying out planned trainings. An annual Training and Development Plan is developed in the beginning of each year, and it is published on the internal information system Arqus, enabling any willing employee to improve his or her qualification. In 2017 more than 250 employees took part in the corporate or external trainings, organized by the Company, for updating and improving their knowledge and skills in various areas. The ongoing professional development of the employees is also provided through an exchange of experience, participation in projects, working under the supervision of mentors etc.

The trainings planned and conducted last year amounted to a total of 28, as more than 100 employees were awarded at least once certificate for their newly acquired knowledge and skills.

Our cooperation with the Technical Universities all around Bulgaria and their branches continues. It enables young and prospective employees to continue their education, supported by Arexim Engineering.

The employees, who improve their educational level receive financing and/or scholarships, paid annual leaves for training, the opportunity to use the production facilities for training, specialized literature and the support of our experienced specialists. After finishing their studies and training, such employees are provided the opportunity to work, according to their respective degrees.

For the period 2012-2017, the successful graduates with financial support of the company are over 15 and they all work for us.

Arexim Engineering provides undergraduates and students with the opportunity to obtain practical experience, working at appropriate positions during summertime. More than 50 students and undergraduates worked as interns at Arexim Engineering in the past three years.

We believe that one of our most important roles is to help young people discover their talents and start their successful career in Smolyan, to integrate them, to show them the real working environment. In our company, they can gain experience that will be of great benefit to their future professional development. Since 2014, we offer two-month temporary employment for pupils and students, and we are happy that those willing are more than our capacity.

https://www.areximengineering.bg/novini/boris-iliev-stazhat-mi-v-areksim-beshe-poveche-ot-udovletvoryavasht/

"Annual Individual Personnel Assessment" Procedure

The individual assessment of the employees, introduced in 2012 evaluates the individual contribution of each employee at the Company. It takes place on an annual basis and the results thereof support the Carrier Development Programme and the setting of Individual Annual Targets for each employee at Arexim Engineering.

Of particular importance is the care for the health of the employees, including the

establishment of favourable working conditions, proper and safe working environment.

Based on the risk assessment, the workers are issued guidelines for risk mitigation, and their adherence to these guidelines is strictly monitored. The employees are provided with working apparel and personal protective equipment. Prophylactic examinations and tests are regularly organized, to monitor employees' health. If necessary, the employees are also examined by specialists and subjected to all necessary follow-up tests and examinations.

The activities for ensuring health and safety at work are also actively supported by the Working Conditions Group, where Company's employees have their authorized representatives.

The safety of the building is ensured by a modern fire-signalling system, evacuation plans and emergency exits. Annual and regular labour safety trainings are also conducted.

At the end of the year, the work on the project "Ensuring safe working conditions and social benefits for the employees of Arexim Engineering EAD" was completed under procedure BG05M9OP001-1.008-C01 "Good and Safe Working Conditions" funded by the Operational Program "Human Resources Development" ".

The many aspects of this project have been successfully implemented and continue to be implemented with great success and cooperation from recipients, our employees.

Through the implementation of the activities: 1) organization, management and publicity of the project 2) provision of transport to and from the workplace 3) provision of means of collective protection - construction of two aspiration systems 4) provision of quality protective working clothes personal protective equipment for workers, 5) Building a multifunctional sports playground has increased the labor productivity of the employees in the company as a result of improving the working conditions and increasing their motivation for work. This in turn will also improve the company's competitiveness.

The corporate social responsibility is one of the pillars of modern and prosperous society. Arexim Engineering is constantly working for the improvement of its corporate social programme, expanding its scope. In 2017, the Company continued to provide benefits, such as:

- Free transport;
- Warm food at the workplace;
- One-off financial support in case of childbirth;
- Financial support to sick employees and their relatives;
- Supporting the employees in obtaining bank and insurance services, under more beneficial conditions;
- Living arrangements, provided by the Company and financial support for rents;
- Organization of cultural events;
- Office telephones, including mobile subscription;
- Working garments and personal protective equipment.

Arexim Engineering firmly and clearly demonstrates an active attitude towards its employees and their families, the environment and the society, aiming at the establishment of a more stable socially responsible business environment in Bulgaria. We believe that each and every business may find its cause and contribute in various areas of public life. We strive at establishing a lasting connection between the needs and resources of the society and business, providing benefits to both parties.

Let us all see more, give more and receive more!

Measuring the results:

As at the end of 2018 "Arexim Engineering" employed more than 700 employees. The new jobs, opened during the past 5 years are more than 300. Arexim Engineering continues to support the education of undergraduates and graduates for obtaining higher educational degrees. The sums, granted for their studies in the past 5 years amount are more than BGN 36000,00.

ENVIRONMENT

Principle 7. Supporting a precautionary approach to environmental challenges. Principle 8. Undertaking initiatives to promote greater environmental responsibility Principle 9. Encouraging the development and diffusion of environmentally friendly technologies.

Assessment, policy and objectives

Arexim Engineering designs and manufactures plastic products, injection moulds and dies. The main objective of Management's policy is to improve the quality of the offered products, to satisfy the requirements and expectations of our customers, as well as to achieve compliance with the local, national and international requirements for the protection of the environment.

Arexim Engineering provides high-quality services through practices, ensuring safe and healthy working environment to our employees, mitigating the impact on the environment. In order to ensure working in a clean environmental, our **Environmental Policy**, sets the following principles:

Compliance with the regulatory requirements for the protection and supporting of the environment, the health and safety of the personnel and the consumers of our products.

- · Motivation of the employees, training and qualification, improvement of the working environment.
- · Efficient use of the natural resources, improvement of the system for recycling the used materials.
- · More efficient use of the plastic waste, through their reuse in production, by using the newly commissioned line for waste material flakes.
- · Package waste reduction, through the introduction of the use of reusable packaging for finished products.
- · Monitoring and reduction of the waste, emissions and pollution, by using raw materials, capable of recycling and processing.
- · Use of techniques and methods of production, which reduce the effects on the environment Performance of monitoring and management of the production and commercial activities in order to optimize the resources used.
- · Implementation of requirements, regarding the protection of the environment, applicable to our suppliers, customers and other stakeholders.
- · introducing systems and programmes for performance, review and updating of the current environmental policy, as well as its presentation to the employees, customers and the general public.
- · Environmental protection is the obligation of everyone of us. Each manager, each member of our personnel, must be committed to adopt the principles and spirit of this Policy.
- · Each and every team member must fully understand and apply the 5S practice, systematic steps for the achievement of a clean, orderly and efficient workplace.
- · The Company has also adopted the approach of introducing standardized working colour-coded garments for all the personnel, depending on the respective position of each employee, as well as standardized separate waste collection.

Arexim Engineering's management is committed to constantly improving the environmental management system and the ecological status of the company, by exchanging information with the employees in order to improve and fully ensure complete awareness of the effects of their work, their competences and responsibility for the protection of the environment.

Performance

The Company invests annually in various scientific studies and in purchasing equipment, in order to ensure ongoing improvement of the processes, related to the environment and

providing services to our customers.

Arexim Engineering continues to grow each year, as the growth in 2015, compared to 2014 was 30%. In our operations, we mainly develop engineering plastics, as we process more than 7 thousand tons thereof in a year. The Company generates both the production refuse and technological waste, which may reach about 6 %. This waste increases through the years. Therefore Arexim Engineering is constantly trying to find options to use and recycle it. Plastic is a material, subject to recycling and reuse, and Arexim is a company, adhering to the strictest environmental standards.

All the waste from the plastics production will be reused or sold as raw materials for reuse to our partners in Bulgaria and Europe. This Arexim Engineering met the most stringent global environmental criteria.

http://www.smolyannews.com/news/ikonomika/areksim-inzhenering-shte-izgradi-prez-2016-g-moderna-sistema-za-retsiklirane-na-tehnicheski-polimeri

Every year in the last week of July, near the Orpheus peak takes place "Perelik Eco Jazz Fest." The festival is a unique event in Bulgaria, the only one at altitude of 2091 m, staged in a spot of magical beauty in the heart of a region famous for its ancient traditions, specific lifestyle and unique culture. Thousands of candles and the starry sky of the Rhodope Mountain light the stage, and the music hovers over the mountain all night. It is a one of a kind event that aims to motivate people to live a healthy lifestyle, close to nature.

The ambition of the organizers is to make it not just one of the many cultural events, but a place for communication between nature, art, and spirituality.

For us, the employees of Arexim Engineering, the event is a wonderful opportunity to enjoy the performance of outstanding jazz musicians combined with beautiful views and the presence of good friends.

https://www.thesoundofsilence.bg/

Measurable results

Arexim Engineering participates in a collective system pursuant to Art. 2 of the Waste Management Act and has a Certificate from ECOPACK valid until 2022.

 $\underline{https://www.areximengineering.bg/novini/udostoverenie-ot-ekopak-balgariya-ad-za-areksim-inzhenering-ead/}$

ANTI-CORRUPTION

Principle 10. Supporting all anti-corruption initiatives and transparency policies.

Assessment, policy and objectives

In accordance with the UN Anti-Corruption Convention, Arexim Engineering opposes any corruption practices within the Company and in the society.

Fighting corrupt practices is the responsibility of each employee of the Company.

The top-priority areas for the prevention and counteraction to corruption at Arexim Engineering are, as follows:

- ensuring transparent management and accountability in Company's operations;
- regulation of clear and efficient rules in the Code of Ethics for the interaction between the

workers and employees;

- improving the transparency of the decision-making process at management level;
- approval of values, such as honesty and morality in public relations;
- prevention of corrupt practices;
- improving the public trust and reinforcement of public control.

Performance

In order to mitigate and prevent corruption risks, Arexim Engineering carries out specific activities:

- Ensuring mechanisms for submitting signals, complaints, proposals etc.;
- Increasing the awareness of its employees, through the internal system ARQUS;
- Conducting trainings and briefings of Company's employees;
- Clear differentiation of the responsibilities at all levels of the company;
- Participation in initiatives and collective actions discussions, conferences, forums, discussing bad practices;
- Determining and eliminating any situations, involving conflicts of interests of Company's employees;
- Applying strict financial and accounting policy.

Measurable results

The results of the efforts for discovering, prevention and elimination of any activities, in conflict with the applicable regulatory requirements or being against Company's interests, include:

- The specialist software "Book-Keeping and Archive" was developed and implemented in 2016, enabling the timely entry of input, output and internal corporate communications, including complaints, signals and protests.
- An anonymous signal submission mechanism has been implemented and is being improved on a continuous basis.
- The awareness of Company's employees is being constantly improved.
- Strict accountancy is ensured at all times.
- Cash payments are limited as much as possible.

Our company is subject to strict monitoring, but has never been accused of corrupt practices.