Statement by the Chief Executive

I herewith confirm my continued support for the Global Compact and renewed commitment to the initiative and its principles.

Gerd Renner
President
Description of actions during the last year in connection to the Global Compact principles.

1.) Human Rights

As mentioned in the last Report of September 25, 2012, our initiatives related primarily to the subject of „conflict minerals“.

- The members of the German association Precious Metals (Fachvereinigung Edelmetalle), member of EPMF (European Precious Metals Federation), could all be committed according to the US-Legislation for dealing with conflict materials (so-called Dodd-Frank Act) to the proscription of the “conflict minerals“ tantalum, tin, tungsten and gold.

- Being a major processor of tungsten metal powder we had to ensure, that our main supplier provides us “conflict- free” tungsten metal powder as raw material (see Appendix).

- For our clients we give a commitment according to the questionnaire of the EICC (Electronic Industry Citizenship Coalition)

Target for the next reporting period:

- to oblige our other suppliers to commit to the principles of the EICC
2.) Labour

- The target set for the reporting period, 20% of the employees should complete an additional pension, could not be reached.

  Reason: Probably, due to the general economic crisis, the possibility of using additional income for retirement pension is limited, because the funds are too limited.
  We continue to work on the intermediate target.

- The half marathon was participated successfully.
  Meanwhile, an active group has been founded, which also promotes for the participation in shorter distances.
  This shall enable other members of the staff on active participation.

Target for the next reporting period:

- participation in at least 2 runs over distances of 10 km. The active group shall comprise 8 participants, wearing uniform jerseys with according company label showing them as “Renner-Group”.

3.) Environment

- The target of a further saving of a total of 8000 l of crude oil could not be fully reached, because the relocation to the new factory at Bergkirchen was delayed due to technical reasons.
  The target remains for the next reporting period.
- An initiative withing the meaning of TMM (Total Metal Management) has been created with our assistance during the reporting period, which aims to create a closed circuit as possible for the valuable and rare metal tungsten. Concretely, to capture even small amounts of waste and to put them to recycling.

So far, these often go lost as “worthless” waste for recovery.

Target for the next reporting period:

To integrate 3 major traders and their endusers in this cycle.

- Precious Metals

In the context of the professional association Precious Metals we stand up for it that the recycling of precious metal scrap (electronic devices of all kinds) is carried out in the refining plants in the country of one’s own. The export to countries of the 3rd world leads to disastrous insufficient technical methods under inhumane conditions.

On our initiative, the professional association supports an initiative of freelance journalists, who unnoticedly provide electronic old equipments with GPS transmitters, to be able to track and to accompany the way to foreign countries so.

On-the-spot the misery and the technically insufficient manner of the “reprocessing” can concrete and public effectively be represented exemplarily so.

We will further pursue and support if necessary this project during the reporting period.
4.) Anti-Corruption

In the meantime, the commitment of companies of the Federal Republic of Germany on a „Code of Conduct“ is standard.

So far, the target of winning 10 of the most important suppliers has been reached.

As SMEs with export mainly to large companies such as Siemens, ABB, Schneider-Electric little possibility of exerting influence is seen. We expect our customers and our suppliers to follow the German strict laws and also the commitments of the “Code of Conduct”.
H.C. Starck Group Raw Material Procurement Statement

H.C. Starck is one of the leading global manufacturers of technology metals tantalum, tungsten, niobium, rhenium and molybdenum. We are committed to ensuring the safety, health and protection of the environment and of the people who come in contact with our products. As responsible corporate citizens, we meet and are continually striving to exceed governmental, industrial and environmental standards worldwide.

We condemn all activities in connection with the unlawful exploitation of mineral resources, no matter where such activities take place. As part of this commitment we have implemented an ongoing policy of only purchasing raw materials that are conflict-free and that meet the requirements of the OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In May 2012, the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) have again declared H.C. Starck’s tantalum supply chain free of conflict materials and lists H.C. Starck as a Conflict-Free Smelter (CFS). We are one of the first companies to pass a second consecutive audit under the CFS Validation Program introduced in 2010. To be declared conflict-free, H.C. Starck’s tantalum processing plants have to maintain a documented conflict minerals policy, deploy a system for tracing finished goods back to its mine of origin and document that all of its purchased materials are from non-conflict sources.

H.C. Starck fully supports the position of the EICC and the Organization for Economic Cooperation and Development (OECD) to avoid the use of ores and metals that finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or adjoining countries. H.C. Starck also is aware of section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act pertaining to “Conflict Minerals” and the regulations promulgated thereunder by the U.S. Securities and Exchange Commission. This law refers to tin, tantalum, tungsten, and gold as “conflict minerals,” independent of whether or not they are actually sourced through conflict-free supply chains. H.C. Starck processes two of those metals, namely tantalum and tungsten, and maintains a conflict-free supply chain for those materials. We are committed to actively supporting our customers with their diligence and disclosure requirements as required by the SEC regulations. In support of government and private initiatives to develop conflict-free supply chain systems, H.C. Starck is a founding member of the Public-Private Alliance for Responsible Minerals Trade (PPA).

In order to guarantee that we purchase only conflict-free raw materials, we have implemented an approved Responsible Supply Chain Management System (RSCM). This system ensures efficient and competitive purchasing, and supports sourcing from suppliers that act in accordance with environmental and social sustainability. With a variety of control mechanisms, we perform thorough due diligence on all raw material offers based on current OECD and EICC guidelines before we accept any material into our production. The RSCM fulfills all requirements of a management system standard required by ISO. The successful implementation of the system within H.C. Starck has been confirmed by the external auditor Bureau Veritas.

We continuously strive to become independent from surging volatility and speculations on the raw materials market. That is why we strongly focus on technology metal recycling to secure our conflict-free raw material supply chain. Using innovative technologies, we are recycling increasing volumes of post-industrial waste, slags, and scraps and turning them into high quality and high-performance technology metals.

With strong recycling activities and certified procurement we ensure a safe, sustainable and competitive raw material supply for our customers, following strong ethical, social and environmental principles.

Munich (Germany), March 2013