Public Due Diligence Report – 5 Step Report

1. Company Information
Our company is called H.C. Starck Hermsdorf GmbH.
The company has one smelting facility, located at Robert-Friese-Straße 4, Hermsdorf/Germany. The company’s CID number is CID002547. The smelting/refining facilities are processing tantalum products.

2. RMAP Assessment Summary
Our Hermsdorf facility underwent a RMAP assessment on November 29, 2018. The assessment is valid for one year. The assessment period was from October 1, 2017 to September 30, 2018. The assessment was conducted by SCS Global services an RMI appointed Sourcing Audit Firm.

The assessment summary report is public and available on the RMI Homepage under our CID number in the conformant tantalum smelters list. http://www.responsiblemineralsinitiative.org/tantalum-smelters-list/

3. Company Supply Chain Policy
To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, the company’s headquarter FPR located in H.C. Starck Inc. 45 Industrial Place, Newton, MA 02461/USA has developed a supply chain policy which also applies for their subsidiary H.C. Starck Hermsdorf GmbH. It covers all of the risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is committed to addressing any OECD Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on the company website at www.hcstarcksolutions.com
4. Company Management Systems

Management Structure
The company follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

- The company’s Managing Director is responsible to oversee the due diligence program and risk management design and implementation.
- The company has assigned a due diligence program manager to coordinate the work of the relevant departments to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified and seek out opportunities to improve the program.
- The company conducts due diligence management system training once a year for key staff from all relevant departments required in due diligence program.

Internal Systems of Control
The company has established/updated its due diligence management system to be aligned with the OECD Guidance and RMAP. The company communicated the updated supply chain policy and sourcing requirements to all identified upstream suppliers via our supply chain policy as well as through our Terms and Conditions stated on our purchase orders. In this way the company has incorporated due diligence requirements into legally binding agreements with direct suppliers.

Should any party wish to voice a concern regarding the circumstances of mineral extraction, trade, handling or export they can report it via the RMI Grievance mechanism procedure and reporting function @ http://www.responsiblemineralsinitiative.org/minerals-due-diligence-container/risk-management/grievance-mechanism/

Record Keeping System
All material receipts are entered into our ERP system. As part of our annual conformant suppliers audit these transactions are audited by a third party and an inventory balance analysis is completed to insure all inventory is accounted for.

The company requires that all records relating to the due diligence program are maintained at least for five years and that they be properly used and safely stored in our online company database.
5. Risk Identification

Our company does not purchase ore. Our company policy only permits the purchase of raw materials from Conformant Tantalum Smelters that have been certified conformant and are listed on the RMI Conformant Smelters list.

Referring to the risks in the company’s supply chain policy, the company established a procedure to identify CAHRAs. The procedure includes the resources used, the criteria to define a “conflict-affected and high-risk” area as well as the frequency with which our determination is reviewed.

In addition, we will annually survey our suppliers through our Know your counterparty (KYC) process as well as confirm annually that each supplier remains on the conformant Smelters list. We will evaluate the information provided in our supplier’s responses to our KYC survey in order to identify any possible Red Flags and we will address any such findings with our supplier immediately. In addition, we will screen each supplier annually for any financial wrongdoings, or government sanctions.

Should a supplier cease to be listed on the conformant Smelters list, have any unmitigated Red Flags identified or be listed on our screened government sanction lists we would not engage in any additional purchases until the matter is resolved and we would further engage with its suppliers to clarify and improve the documents as needed. During this reporting period, no red flags were identified related to submitted KYC forms.

The company requested origin information for each material transaction and ensured that it was able to understand the transaction origin, transportation route, as well as direct suppliers’ name and locations.

All information collected was reviewed by the company against CAHRAs, sanction lists, local laws and internal sourcing requirements.