

## Statement of the company on the sourcing of metallic raw materials

### **1. No use of tantalous raw materials from the Democratic Republic of Congo (DRC)**

H.C. Starck is following with great concern the current escalation of the warfare in the North and South Kivu regions of the eastern Congo. The latest situation is particularly troubling based on reports that the fighting is taking place for access to mineral resources in this area (primarily coltan), and not just for reasons of ethnic strife. Reports in the media are speculating that businesses which utilize tantalum in any manner could become possible beneficiaries of the resurgent war.

H.C. Starck is familiar with the activities of the panel of experts of the United Nations Security Council, which commenced activities in 2001 against the illegal exploitation of the DRC, and with the reports published by the panel on unlawful or illegal activities concerning the sourcing of raw materials in the DRC. At the time, without being requested to do so, we supported the panel of experts in the clarification of allegations which were made against our company and were placed in the final report of the panel in the category “resolved – no further action required”.

In addition, H.C. Starck has committed itself to upholding the International Guiding Principles of the OECD for multinational companies and follows these principles in all its activities. Allegations to the contrary, which third parties wrongly asserted against the company, were completely rejected by German courts.

H.C. Starck condemns all activities in connection with the illegal or unlawful exploitation of mineral resources, no matter where such activities take place. H.C. Starck does not knowingly purchase any raw materials originating or which could originate from such sources. H.C. Starck in particular does not purchase any raw materials from the DRC, not even if we are offered material with certifications proffered as “official” from Congolese state authorities.

In the past, we supported an international NGO in its endeavors to develop a pilot mine in the DRC for the legal mining of tantalum, which among other benefits could help prevent the operation of illegal mines in the country’s national parks. However, in the current climate we see no possibility whatsoever to realize this project without the undesired exertion of influence by illegal groups. Consequently we are no longer pursuing this idea. We also are not planning any other activities for the operation of a mine or for the mining or extraction of raw materials in the DRC.

H.C. Starck is currently involved as the only industrial partner in a pilot project of the German Federal Government in Rwanda. The aim of this project is to certify the production channel of raw materials in an African country from the mine to the consumer. In connection with this project we are engaged directly in Rwanda. The potential scope of activities under the project can range from a joint venture with local partners right up to the operation of an own mine. We do not simply regard our engagement in this project as a way of stopping illegal mining and trading, but rather also as a possibility of making an important contribution to the further development of Rwanda in an ethically sensitive and sustainable manner.

Our supply of tantalous raw materials is currently guaranteed by contracts with suppliers from other parts of the world. In addition to the provision of ore concentrates from Australia and South America, this also includes tantalous tin slag and the recycling of tantalum scrap. In addition, we have adequate reserves of raw materials to bridge any possible unexpected loss of suppliers.

## **2. Purchase of raw materials containing tungsten and molybdenum**

Again when purchasing other metallic raw materials, H.C. Starck strictly complies with the International Guiding Principles of the OECD for multinational companies. Our supply of tungsten is essentially based on the recycling of hard metal scrap, which we purchase from America and Europe, and on primary raw materials from outside Africa. Our molybdenum supply is guaranteed by mine operators in America.

Goslar, August 3rd, 2009