

National Jesuit Committee on Investment Responsibility

Jesuit-led Human Rights Resolution at OM Group Receives Strong Vote at May 10, 2011 Annual Meeting

The Jesuit-led stockholder proposal to Develop Indicators for a Human Rights Policy received 43.21% support (7,456,802 shares voting for and 9,801,050 shares voting against) at the OM Group (NYSE: OMG) annual meeting held May 10, 2011 in Cleveland, OH. Carrie Nantais, Director of Social and International Ministries for the Chicago-Detroit Province which has led this engagement, commented: "This vote indicates significant support by shareholders for the Company to take action on human rights."

The proposal was filed by the Detroit Province of the Society and Jesus and co-filed by nine other Jesuit provinces in the United States and English Canada, Regis High School, Mercy Investment Services, Inc., Catholic Health East, Creighton Prep, Loyola University Chicago, and the Ursuline Sisters of Tildonk. Proponents were represented at the OMG annual meeting by John Sealey, Director of Social and International Ministries for the Wisconsin Province of the Society of Jesus; John Kleiderer, Policy Director for the Jesuit Conference; and, Anna Bradley, Consultant to the Jesuit Conference.

This was the first year for the resolution. Shareholders have been engaged with the Company since October 2007 on issues related to safety concerns of scavengers around the Company's cobalt smelter in Lubumbashi, Democratic Republic of the Congo (DRC). In addition to the Jesuit-led U.S. investor coalition, this engagement has received the assistance of the Jesuit-run Center for Social Action (CEPAS) in Kinshasa and the Jesuit European Office (OCIPE).

ISS Proxy Advisory Services recommended voting in favor of the proposal. Their recommendation cited "the benefit the company would appear to derive from a framework to address and manage potential direct or indirect reputational, financial, legal, and regulatory risks related to human rights."

Along with the favorable recommendation from ISS, the proposal was helped by the shareholder rebuttal to Management's Statement in Opposition to the Proposal. This communication to shareholders was facilitated by a filing with the Securities and Exchange Commission.

During the annual meeting, CEO Joseph Scaminace spoke of the Company's DRC Social Responsibility Program. He noted that a human rights policy should be issued in the near future. He spoke of CSR as a value rather than a cost to the Company but also emphasized that the policy needs to make sense for the Company's operations. Since 2005, Mr. Scaminace has guided OMG's evolution from a raw materials company (nickel and cobalt) to a leader in advanced materials, specialty chemicals, battery technology, almost "an alternative energy company."

A 12-page brochure on the DRC Social Responsibility Program was prepared in advance of the meeting. In addition to the economic impact of the joint venture in the smelter, the Company is active in three areas:

- Improving the lives of employees and their families
- Improving the lives of the people living in the community
- Supporting children's education

While speaking with the CEO, the Jesuit representatives expressed appreciation for his leadership in the Company's production of higher value products in growth markets and mentioned that the shareholder coalition would be diligently following the Company's actions to remediate human rights concerns in the DRC. They also reiterated their request that he visit the DRC since he has never been there; and expressed concern that international standards hold OMG complicit for human rights shortcomings of Gecamines, the Company's joint venture partner, on whose property adjacent to the smelter that scavengers are routinely injured and deaths have occurred. They also suggested that the next Board member have experience in international operations in countries with weak governance like the DRC.

Final vote totals for the resolution were: 43.21% voted for the resolution and 56.79% voted against. 8,932,295 shares abstained, including Fidelity and Vanguard, two large mutual fund companies that collectively control 20% of the outstanding shares yet do not vote on social issues.

Links:

OM Group DRC Social Responsibility Program Brochure
www.omgi.com/pdfs/OMGroup%20DRC%20Brochure.pdf

Shareholder Rebuttal to the OM Group Opposition Statement Regarding Developing Indicators for a Human Rights Policy (Notice of Exempt Solicitation filed with the SEC)
www.sec.gov/Archives/edgar/data/899723/000121465911001574/f55110px14a6g.htm