

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SD

Specialized Disclosure Report



**MERIT MEDICAL SYSTEMS, INC.**

(Exact name of the registrant as specified in its charter)

Utah  
(State or other jurisdiction of  
incorporation)

0-18592  
(Commission File Number)

87-0447695  
(IRS Employer Identification  
No.)

1600 West Merit Parkway, South Jordan, Utah  
(Address of principal executive offices)

84095  
(Zip code)

Brian G. Lloyd  
(801) 253-1600

(Name and telephone number, including area code, of the person to contact in connection with this report.)

Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2019

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## **Section 1 - Conflict Minerals Disclosure**

### **Item 1.01 Conflict Minerals Disclosure and Report**

In accordance with Rule 13p-1 under the Securities Exchange Act of 1934, Merit Medical Systems, Inc. (the "Company") is filing a Conflict Minerals Report for the calendar year 2019. A copy of the report is filed as Exhibit 1.01 hereto and is publicly available at <https://www.merit.com/about/conflict-minerals-report>. The content of any website referred to in this Form SD, including any exhibit hereto, is included for general information only and is not incorporated by reference in this Form SD.

### **Item 1.02 Exhibit**

The Company's Conflict Minerals Report for the calendar year ended December 31, 2019 is filed as Exhibit 1.01 to this Form SD.

## **Section 2 - Exhibit**

### **Item 2.01 Exhibit**

[Exhibit 1.01 - Conflict Minerals Report as required by Items 1.01 and 1.02 of this Form.](#)

### **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the duly authorized undersigned. 20

Dated: May 28, 2020

MERIT MEDICAL SYSTEMS, INC.

By: /s/ Brian G. Lloyd  
Chief Legal Officer and Corporate Secretary

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**CONFLICT MINERALS REPORT  
MERIT MEDICAL SYSTEMS, INC.  
YEAR ENDED DECEMBER 31, 2019**

This Conflict Minerals Report (this “**Report**”) for the year ended December 31, 2019 is presented by Merit Medical Systems, Inc. (“**Merit**”) to comply with Rule 13p-1 under the Securities Exchange Act of 1934 (the “**Rule**”). The Rule was adopted by the Securities and Exchange Commission (“**SEC**”) to implement reporting and disclosure requirements related to conflict minerals as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Rule imposes certain reporting obligations on SEC registrants whose manufactured products contain conflict minerals which are necessary to the functionality or production of their products. Conflict minerals are defined as cassiterite, columbite-tantalite, gold, wolframite, and their derivatives, which are limited to tin, tantalum, tungsten, and gold (“**3TG**”).

**COMPANY OVERVIEW**

Merit is a leading manufacturer and marketer of proprietary disposable medical devices used in interventional, diagnostic and therapeutic procedures, primarily in cardiology, radiology, oncology, critical care and endoscopy. Merit’s mission is to be the most customer-focused company in healthcare. Merit designs, develops, manufactures and markets innovative medical products that offer a high level of quality, value and safety to its customers, as well as the patients they serve.

Merit’s products are used in the following clinical areas: diagnostic and interventional cardiology; interventional radiology; neurointerventional radiology; vascular, general and thoracic surgery; electrophysiology; cardiac rhythm management; interventional pulmonology; interventional nephrology; orthopaedic spine surgery; interventional oncology; breast cancer surgery; pain management; outpatient access centers; intensive care; computed tomography; ultrasound; and interventional gastroenterology.

Merit maintains a diverse, multi-campus manufacturing footprint in North America, Europe, and Asia with a true global distribution network focused on delivering our products and technologies to our customers.

**DUE DILIGENCE**

Merit determined that some of its products were likely to contain 3TG due to the anticipated presence of such minerals in certain products manufactured by or for Merit or in parts or materials obtained from suppliers.

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Merit has conducted a good faith and reasonable country of origin inquiry regarding the origin of the 3TG necessary for the functionality or production of products manufactured, or contracted to be manufactured, by or for Merit. The reasonable country of origin inquiry consisted of a survey of supply-chain suppliers of parts or materials necessary for the functionality or production of products manufactured by or for Merit. As a purchaser, Merit is several steps removed in the supply chain from the actual mining of and processing of minerals that are in the purchased materials used for its products. Given the complexity of its supply chain, Merit relies on its suppliers to provide information relevant to the origin of the 3TG contained in purchased materials supplied to it, including sources of 3TG that are supplied to them in earlier stages of the supply chain. A large number of Merit's suppliers and their suppliers are not subject to Securities and Exchange Commission ("SEC") regulations; therefore, its ability to obtain information responsive to the Rule's requirements is subject to the cooperation of these suppliers.

Merit utilized the ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS OF MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS, to the extent practicable and reasonable given Merit's particular supply chain and industry. Merit sought to identify the originating smelter or refinery for 3TG in an attempt to discover whether or not the smelter or refinery had been determined to be conflict-free by existing industry and/or trade association programs.

For the 2019 reporting year, Merit surveyed its suppliers with an 83% response rate. Merit did additional work in the past year to narrow its "in scope" number of suppliers subject to the survey, and expects its greater scrutiny of the supply chain will result in improved response rates and more meaningful diligence in the years to come.

## **RESULTS**

Of the suppliers that responded to Merit's survey questionnaire, the vast majority responded that their products, parts, or processes either did not contain 3TG or that any 3TG contained in their products, parts, or processes did not originate in the Democratic Republic of the Congo or adjoining countries. A significant majority of Merit's suppliers that reported the presence of 3TG identified the smelter facilities providing such minerals as being "conflict free," as determined by programs such as the Conflict Free Smelter Program of the Electronic Industry Citizenship Coalition and the Global e-Sustainability Initiative or that the supply of 3TG originated from scrap or recycled sources. A small number of suppliers responded that their smelters confirmed sourcing from the Democratic Republic of the Congo

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or adjoining countries, but these suppliers were unable to confirm that the smelters were conflict-free. Because not all of Merit's suppliers adequately responded to Merit's multiple inquiries, Merit has been unable to determine the precise origin of some of the 3TG minerals contained in or utilized in the manufacture of such products for the year ended December 31, 2019.

Based on Merit's due diligence efforts, Merit does not have sufficient information to conclusively determine all of the smelters or the countries of origin for the 3TG minerals in all of Merit's products.

#### **INDEPENDENT AUDIT**

This Report has not been subject to an independent private sector audit, in recognition of the final judgment by the District Court for the District of Columbia in *National Association of Manufacturers, et. al. v. Securities and Exchange Commission, et. al.*, No. 13-CF-000635 (D.D.C. Apr. 3, 2017), and regulatory guidance provided by the SEC on remand. Moreover, pursuant to the SEC rule and SEC staff guidance, because Merit does not affirmatively label its products as "DRC conflict free," it is not required to obtain an independent private-sector audit (IPSA) and include the audit report as part of a conflict minerals report.

#### **POLICIES APPLICABLE TO CONFLICT MINERALS**

As part of its due diligence efforts, Merit also has developed a Conflict Minerals Policy (available at <http://www.merit.com/about/conflict-minerals-policy/>) and a Code of Conduct for Suppliers (available at <http://www.merit.com/about/code-of-conduct-for-suppliers/>). The Code of Conduct for Suppliers was recently updated to include important expectations in the area of Corporate Social Responsibility (CSR), particularly labor standards. These two documents outline the expectations Merit has for its suppliers, as well as steps Merit may choose to take for any non-compliance by its suppliers with the Policy or Code of Conduct.

#### **STEPS TO BE TAKEN IN 2020**

Merit plans to continue to improve its due diligence process in 2020 to further mitigate the risk that the necessary 3TG in Merit's products does not finance or benefit armed groups in the Democratic Republic of the Congo or adjoining countries. These improvements include:

- Continuing to strengthen engagement with relevant suppliers, including modifying its due diligence system and supplier database to ensure that its communications are focused on those suppliers most likely to provide Merit with the subject 3TG metals in question.
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- Hiring and assigning additional resources in its Corporate Social Responsibility (CSR) program, which should benefit its due diligence under both the US conflict minerals regulation as well as prepare for European Union conflict minerals requirements that go into effect January 1, 2021.
  - Adopting new systems and technologies to enhance Merit's scrutiny of its supply chain, including the assignment of resources from Merit's Procurement and Operations teams to improve the vetting and monitoring of Merit's suppliers.
  - Adapting to new and different supplier due diligence and sourcing strategies in the wake of the COVID-19 pandemic.
  - Continuing to provide feedback to suppliers regarding inadequate reporting or completion of the CMRT assessment.
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