



To our stakeholders:

I am pleased to confirm that TOLSA reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Enrique Gómez Navarro', with a horizontal line underneath.

Enrique Gómez Navarro

TOLSA General Manager

Madrid, 30/04/2021

TOLSA
SUSTAINABILITY
REPORT
2020





04 **EDITORIAL:**
 ■ GENERAL MANAGER LETTER.



12 **BEST PRACTICES AND SUSTAINABLE
 DEVELOPMENT GOALS CONTRIBUTION**



04 **VISION AND AMBITION:**
 ■ WE ARE TOLSA.
 ■ WE ARE MUCH MORE THAN MINERALS.
 ■ OUR VALUES INSPIRE US TO GROW.



23 **MUCH MORE THAN FIGURES**



09 **TOLSA COMMITMENTS
 TO SUSTAINABILITY:**
 ■ MATERIALITY ANALYSIS.
 ■ OUR PILLARS TO GROWTH.

INDEX



We started 2021 after a truly unimaginable year. The effects of the COVID-19 pandemic have substantially changed the way we live, our business activities, and submerged us in a world filled with uncertainties that we hope to see mitigated throughout 2021.

We embrace this global challenge, to which no country or society is immune, with optimism, despite its sheer scale and the need to “reinvent” ourselves as a company and as individuals that it has imposed on all of us.

Within such an extraordinarily complicated context, Tolsa has managed to close 2020 with higher revenue figures to those of the previous year, while maintaining activity and employment levels. I think this is a clear sign of the strength of our business and the involvement and the expertise of all our employees and partners.

Throughout 2020, we experienced solid progress on matters related to corporate governance, regulations, and introduced new tools to improve, not only our internal processes, but also due diligence policies in the Group. Another priority, in

addition to the safety and health of our people, has been the automation of our processes and our projects related to energy efficiency and responsible use of resources, which bear witness to our continued commitment to sustainability.

Our bet on a sustainable future for all is now stronger than ever. And for this reason, in 2021 we will strive to make our company a leader in all those sectors in which we operate. Our Sustainability Plan, reflected today on these pages, is the cornerstone that inspires our project for the future.

We started 2021, as we said at the beginning, still in a context of great uncertainty, but with the hopes of taking part in a great project, and the certainty of being fully prepared to meet the new challenges presented to us in 2021.

We are confident that this new year will bring great opportunities that we must seize, together with our employees, to whom we owe, without a doubt, the success of our career.

Thanks for being part of the great Tolsa family!

Enrique Gómez Navarro,
General Manager



VISION
AND AMBITION

WE ARE TOLSA

Tolsa is a diverse company due to the broad nature of its activities, markets and products and the countries in which it operates. And sometimes it is very hard to explain what our business really is to third parties. Are we a mining company? A research company? Producers? Traders? The answer is YES but no single one of these activities on its own is the be-all-and-end-all of our business.

Our purpose is to “**to develop mineral applications that directly or indirectly improve the lives of people throughout the world**”, and this is why we like to be the owners of our raw materials and control the chain of production and logistics; this is why we invest in R&D and have our own laboratories; and this is the reason behind our presence in so many markets with such different applications.



Since
1957



3,5%
invest in
R&D



49
patents



1.800m²
of
Laboratories



190
millions € of
turnover



Operations
in more than
95
countries



150
millions
Tn of raw
materials



850
employees
from
18
countries

WE ARE MUCH MORE THAN MINERALS

Did you know that any materials or products can incorporate our minerals, in either their formulation or their manufacturing process?

Up until this moment, you probably hadn't wondered whether there was a little bit of Tolsa in your everyday life.

Although you cannot see it, our minerals are used in more than 250 applications such as filtering, civil engineering, agriculture, animal feed, pet hygiene and care, industrial cleaning, resistance of materials, etc.

This means our minerals are present in your car, in your home, in your city and even in your food.

This is why we like to think that at Tolsa we connect people's lives around the whole world. Because, without you even being aware of it, around you there's always a little bit of us.

Do you want to know more? Discover what #connectinglives means, the hashtag we use to explain our purpose.



OUR VALUES INSPIRE US TO GROW

Our purpose is to develop applications that help improve, directly or indirectly, the lives of people throughout the world. This is what means #connectinglives, enrich people lives taking in value our diversity. But how we would like to do it?

Our values define not only what we are but also what we would like to become, and must be the answer to the question of “Why do we do the things we do in our daily lives?”

They are therefore the inspiration which helps us to make better decisions (Longevity), to become more sustainable (Care), to care for our people and showcase our diversity (Roots), and to build the future (Innovation), and are what motivates us to generate new opportunities that enable us to go even further (Open).

Our corporate values inspire us to become better and better, and this is what unites us, together with our purpose, by creating a sense that is common to all we do, beyond distance and the diversity of our people and business lines. They help us to highlight precisely what makes us unique: our diversity.



Discover what it means CARE, ROOTS, LONGEVITY, OPEN and INNOVATION





ROOTS: PROUD OF OUR DIVERSITY

Tolsa was founded in Spain in 1957 and we have grown to become an international, multicultural and diversely profiled team. Our people are the key to our growth and those who, day-by-day, with their commitment and enthusiasm, lay the groundwork for building our future today.

On our team, we have people of more than 25 different nationalities and there is a healthy balance between generations, which allows us to support our younger team members through the experience of the more senior members. Managing internal know-how is key in evolving our business.

At Tolsa, while a mining company, we are proud of having a constantly increasing number of women on our team, and we are trying to do away with the structural disparities of what was regrettably a traditional male-oriented sector. Our equality policy and work-life balance measures are a clear example of this commitment.



CARE: COMMITTED TO OUR ENVIRONMENT

We like to think that our work enriches people's lives. We believe we have the responsibility of working for a better world, as a company, as a social actor and as individuals.

One example of our commitment to future generations is our participation in the United Nations' Global Compact.

Our mining and industrial activities are environmentally friendly and as well as holding BSCI certifications, we lead Social Responsibility projects, focusing mainly on education and health.

Our sustainability strategy is based on five growth pillars: responsibility in corporate governance; people for today and for tomorrow; global commitment; solutions for progress; looking after the planet.



LONGEVITY: A BENCHMARK IN THE SPECIAL CLAYS SECTOR SINCE 1957

We control the entire value chain, from extracting the minerals and treating them in factories to their logistics and commercialisation. This gives us a privileged perspective to offer tailored solutions to our customers.

This independence also provides us with the benefit of obtaining better control over any type of risk, whether internal or external, that may affect our value chain.

The diversity of our business lines, together with our global scope, makes us a stable, solvent and reliable company for our customers. Their trust and our work done well are the keys to our success.



OPEN: INTERNATIONAL VOCATION

Tolsa products are marketed in over 95 countries and we are continually searching for new markets and business opportunities in order to help us to keep on growing. Open means being open to opportunities, but not just from the commercial point of view. It also signifies our desire to support our people as they gain new knowledge, accepting that we will always have a lot to learn, as a company and as individuals, and that we must also share our knowledge and experience to become a benchmark in the sectors in which we are present.



INNOVATION: WE INNOVATE FROM INSIDE

Innovation is part of our DNA and is reflected not only in the diversity of our business lines but also in our desire to develop the applications of the future through investment in R&D.

It is also demonstrated in a corporate culture that fosters participation by all employees. This is the spirit of READY, our tool to enable small ideas to grow to be big, regardless of the chain of command or location, thereby attaching value to everybody's ideas.

We apply circular economy principles and we believe that new technologies are a key tool for our competitiveness, while guaranteeing the necessary cybersecurity and data privacy measures.

TOLSA SUSTAINABILITY COMMITMENT

Our Sustainability Plan is a strategic approach that creates long-term value by embracing opportunities and managing risks deriving from governmental or legislation changes, environmental challenge and social developments.

This plan is the result of our Materiality analysis, growth pillars and business strategic plan.



MATERIALITY ANALYSIS

Our Materiality detail the relevant issues for Tolsa in the field of Sustainability, taking into account the expectations of our Stakeholders and the strategic reflection on sustainability trends.



- 1 Governance, Business Ethics, Transparency and Compliance Management.
- 2 Risk & Crisis Management (Geopolitical, COVID19, New Regulations...).
- 3 Climate Change Commitments and Improvement Objectives.
- 4 Labor Management Relations and Human Rights.
- 5 Employee Wellbeing, Health and Safety.
- 6 Talent Attraction & Retention.
- 7 Talent Development and Knowledge Management.
- 8 Diversity & Inclusion (Women Empowerment, Intercultural, Generational).
- 9 Stakeholder Relations and Community Engagement.
- 10 Responsible Marketing & Consumer Engagement.
- 11 Local development and Philanthropy.
- 12 Responsible Sourcing and Supplier Engagement.
- 13 Product Stewardship towards Circular Economy.
- 14 New technologies, e-commerce, Data Privacy and Cyber Security.
- 15 Product Innovation, Quality and Safety (regulations and tax).
- 16 Shared Value Business Opportunities.
- 17 Biodiversity and mining Environmental Impact.
- 18 Supply Chain Sustainability Stewardship.
- 19 Operational Environmental Impact (Waste, Packaging and Plastic ...)
- 20 Energy Efficiency Management.

TOP 5



- 1. Governance, Business Ethics, Transparency and Compliance Management.
- 5. Employee Wellbeing, Health and Safety.
- 6. Talent Attraction & Retention.
- 19. Operational Environmental Impact (Waste, Plastic, Packaging).
- 20. Energy efficiency Management.

+5 for TOP 10



- 2. Risk & Crisis Management.
- 3. Climate Change Commitments.
- 7. Talent Development and Knowledge Management.
- 14. New technologies, e-commerce, Data Privacy and Cybersecurity.
- 15. Product Innovation, Quality and Safety.

OUR PILLARS TO GROWTH

At Tolsa, we are well aware of the need to define a commitment to sustainability that balances the profitability of the business with our responsibilities in economic, social and environmental issues. We understand that maintaining this balance is the basis for our growth, not only as a company but also as a social actor.

Our sustainability strategy is, therefore, the framework within which the company's strategy is defined, as well as the daily work of our people and partners.

The pillars on which our sustainability strategy is based are as follows:



RESPONSIBILITY IN CORPORATE GOVERNANCE



PEOPLE FOR TODAY AND TOMORROW



GLOBAL ENGAGEMENT



SOLUTIONS FOR PROGRESS



CARE FOR THE PLANET



BEST PRACTICES AND SUSTAINABLE DEVELOPMENT GOALS CONTRIBUTION.

The 2030 Agenda for Sustainable Development, adopted by all Member states of the United Nations in 2015, provides shared plan for peace and prosperity of the people and the planet, now and in the future. At its core are the 17 Sustainable Development Goals (SDGs), which are an urgent call to action to all countries and social actors.

At Tolsa, given our role as social actor, we recognize that we can contribute with strategies to improve our social, economic and environmental impact.

For this reason, besides working to create an increasingly sustainable company, we actively contribute to improve health and education, reduce inequality and stimulate economic growth, all while tackling climate change by improving our operations and activities in the supply chain. Here are the most important projects, which are a clear example of our commitment to the SDGs:





PILLAR

RESPONSIBILITY IN CORPORATE GOVERNANCE

Vision: building a company based on ethical business, transparency and compliance, creating a management system capable of coping with any risk, defining commitments to combat climate change, ensuring compliance and improved labor legislation, and guaranteeing human rights in all areas of activity, by extending this commitment to our employees.

It is our responsibility as social actors to move towards more sustainable business management models.

The importance of Good Corporate Governance

Currently, companies have more resources and strength to drive change than many governments. Thus, it is our responsibility as social actors to evolve towards more sustainable business models for all, and this is where concepts like ethics and good governance must be applied rigorously and responsibly. Therefore, it is key to have a strong compliance model, as well as a risk map allowing us to anticipate any mishap, whether economic, political or social, as has been the case with the Covid-19 pandemic.

Thanks to our financial stability, diversification, and proactivity in anticipating risks, we were able to make good decisions that have allowed us to face critical times less stressfully than other industries. This, of course, does not mean that we can relax.

This is why one of our priorities is strengthening our Compliance model by defining and continuously updating our risk map, as this will enable us to anticipate any mishap, whether economic, political or social.

Specifically, during 2020, we have worked on analyzing our current governance system, the potential gaps that may exist with regard to

the legislation in each of the countries in which we operate, placing special emphasis on specific risks, such as those related to criminal prevention, fight against corruption, sanctions and embargoes, money laundering, terrorism, as well as environmental and social risks.

As a consequence, the time spent identifying and assessing strategic risks of our business will be especially relevant for Tolsa in the coming years.

2% INCREASE OF OUR BILLING

WHILE KEEPING

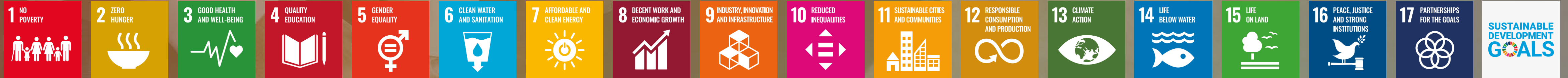
100% OF JOBS





PILLAR

RESPONSIBILITY IN CORPORATE GOVERNANCE



SUSTAINABILITY PLAN, OUR FRAMEWORK TO GROW WITH GUARANTEES

To formalize our internal and external commitment to sustainable growth, we have created a Sustainability Area within the Operations Department, to promote and implement a culture of sustainability that really impacts our value chain. We also drafted the company's Sustainability Policy, defined our materiality and our pillars for growth, and prepared a development plan for the next 5 years.

BEING MORE SUSTAINABLE IS A SHARED RESPONSIBILITY

At Tolsa, we understand that each employee can contribute to achieving an increasingly sustainable company. In this vein, we have redefined the competencies of the management team, as well as adapted our annual management and assessment model to specific goals, including, at least, one sustainability-related goal. We also designed a digital training plan on sustainability, and created an internal channel in our internal social network, to raise awareness, gather suggestions and share best practices in sustainability.

COMPLIANCE AND RISK MAPS

Understanding and controlling the risks that may affect our business will allow us to ensure our future. Analyzing our current governance system, and the gaps that may exist in terms of legislation in each of the countries in which we operate, has been our priority. At Tolsa, we will work to regularly update this project, which has become a tool on which to define our strategy in the short, medium and long term.

OUR CERTIFICATIONS ATTEST OUR COMMITMENT TO CONTINUOUS IMPROVEMENT

At Tolsa, we are firmly determined to creating safe and equal working environments, through biannual audits, including BSCI, EcoVadis, Sedex_SMETA, FAMI QS, BRC, HALAL, KOSHER, FSC, ISO14001, and CSR standard by SG, ISO 9001 and API.



PEOPLE FOR TODAY AND TOMORROW

Vision: ensuring a healthy working and safe environment for our employees. Implementing actions that allow us to attract, retain and develop the best talent over time. Leveraging our diversity and inclusion through policies of equality and work-life balance. Understanding that people are not a resource, but our most precious asset and, protecting our employees in each of their stages in the company.

On the management of people in times of COVID-19

Maria del Mar Martinez Mar Zárate, HR Director at Tolsa

“In my nearly 20 years of experience at Tolsa’s HR Department, we had never experienced a situation similar to the one generated by the COVID-19 crisis. Responsibility and commitment from our employees has been admirable, and this exceptional situation has made us grow and evolve as a team”

How are the different countries where the company operates facing this health crisis?

Reactions always depend on the cultural aspect, the individual perspective and how local governments have managed the situation in each country, however, I think the internal management of the company was crucial.

Our priority has been to preserve the health of employees and, therefore, we devoted

our time to establishing cross protocols to ensure that all our people work in totally safe conditions by adapting our facilities and training staff, and by adapting HR policies in record time.

We also afforded great importance to communication. We have used all the channels available and explored new ones to bring a sense of proximity to this forced distance, thus achieving permanent feedback that has helped us understand

the impact of the crisis in real time, and take appropriate measures at any given time and place. All of this generated a common logic of calm and trust.

What risks and opportunities arise from this global crisis when it comes to managing people?

When the crisis emerged, the risks were many: we did not have a white paper on how to handle a crisis of this nature. Uncertainty, loss of trust, the impact on our staff... These were certainly potential risks. However, I believe that this crisis gave Tolsa a great opportunity to reinvent itself, and learn to work differently. If I had to take stock, bearing in mind what happened out there, I would say that Tolsa will emerge stronger from this crisis.

The conclusion is that this crisis confirmed what we already knew: the commitment of the people who make up Tolsa, those

who did not stop working on site at our manufacturing centers, and those who have adapted in record time to working from home. This great attitude allowed us to continue driving our business, which never stopped.

And what are the challenges faced by the HR Department?

Like all companies and, in a market as highly competitive as ours, our greatest challenge is learning how employees’ expectations change over time. Our aim is to consolidate a modern working environment for everyone that brings out the best of each of us. Offering an attractive company to all valuable people who make up this company and whom we want to retain, but also to those outside and with whom we would like to work. In this regard, the Human Resources Department has much to contribute, so that human capital remains Tolsa’s distinguishing feature.

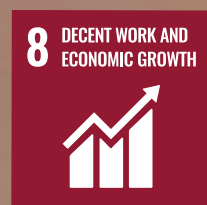
92.6% of our employees have permanent contracts

850 employees from 18 nationalities





PEOPLE FOR TODAY AND TOMORROW



PEOPLE, OUR PEOPLE MANAGEMENT MODEL

Our management and leadership of people (PEOPLE), is based on the study and management of each of the phases that are relevant to the life cycle of an employee. At Tolsa, we believe that the leadership role of our managers throughout these key moments is crucial to enhance our employees' experience.

As a result of this commitment, we conduct social audits, also aimed at ensuring compliance with labor laws at all our centers, under equal safe conditions. Tolsa earned the ECOVADIS Silver Medal on Corporate Social Responsibility.

Our company's environmental, social and ethical commitment to the essential pillars for growth, together with this recognition, inspires us to be more ambitious targets for the coming years.

WE AFFORD VALUE TO DIVERSITY.

One of our corporate values, ROOTS, speaks of our diversity as a differentiating factor. And, therefore, one of our priorities should be to understand and build on this diversity, as an engine to drive our growth in the right direction. The formalization of our Diversity Policy establishes our principles of equality, as well as the mechanisms to help channel the concerns of the different groups that make up our team and allow us to detect and remove "invisible barriers."

"WE CARE" PLAN: Ensuring occupational health, professional development and the work-life balance of our employees in times of the Covid19.

With the slogan "We Care", we have developed a comprehensive plan to ensure both the safety of our people and the continuity of our business. This plan included the physical adaptation of our factories and workplaces, information and continuous training to all the employees of the Group, availability of means of protection, such as masks and antibacterial gel, manufactured internally for consumption in our laboratories, among others.

WORK-LIFE BALANCE AND DIGITAL TRANSFORMATION

Well before the announcement of the confinement measures adopted in the countries where we are present, Tolsa activated the necessary mechanisms to ensure the health of all our employees, prioritizing the adaptation of working modalities, policies, procedures, technology, and tools in record time. Among the actions implemented, we can highlight the following:

- Telecommuting for those positions whose duties so allowed. This has involved adapting HR policies, as well as training plans in content and format, as well as upgrading the computer equipment, so that everyone could have the necessary tools at home.
- Our Innovation and Telecommunication Systems Department has made great efforts to enable teleworking, by implementing cloud-based tools, accessible from any device, for all employees. The widespread use of new management and communication tools has encouraged both the development of professional (internal and external), and social activity, to reinforce the sense of team spirit and combat social isolation by creating informal communication channels (internal social network).

WE INVEST IN THE LEADERS OF THE FUTURE

We believe in continuous development. At Tolsa, we reckon that development is more than a growth opportunity for our people, it is also a business need. The HR Departments seeks to support our employees in realizing their full potential, and be aligned with the needs of an ever changing environment. To respond to the concerns of employee development and organizational needs of the company, our Talent department offers employees a range of training programs to encourage participation and professional growth. These include our mentoring program (Mates), our program for identifying and developing high potential (HIPO) onboarding plans, career planning, performance reviews, and management by objectives. Our project in Senegal also includes adult literacy programs, as an incentive to boost their professional development.



PILLAR

GLOBAL ENGAGEMENT

Vision: pursuing continuous improvement and establishing the communication channels needed to strengthen our engagement with stakeholders, including the communities where we are present, the commitment of our suppliers and responsible sourcing. Being a leader in our business sectors and sharing our knowledge and experience..

We try to act where we identify a need, and where our actions may bear fruit in the future, sustainably.

Jean Brice Saint-Martin, Country Business Manager SSPT

We CARE! SSPT is a company that takes pride in acting in Senegal, and maintaining TOLSA Group's signature level of ethics, while also investing in social responsibility in an increasingly sustainable way.

Lately, we have decided to rethink our activities, so that they are better aligned with our business and our employees. To do this, we have implemented a system that standardizes our actions toward employees, their families and/or the communities around us. We try to act where we identify a need, and where our actions may bear fruit in the future, sustainably.

Health is a good example of this: the company has implemented a private health insurance system, that allows employees and their families to benefit from the best treatment conditions. In 2021, as a continuation of this initiative in favor of the communities, we plan to upgrade Lam Lam's Clinic, a village next to one of our areas of action. In the same village, the company has been involved in the development of a primary school. In 2019, we submitted a request to experts from the Ministry of Education to conduct a diagnosis and a series of recommendations for improving the conditions of education. As a result, in 2020, we signed an agreement with the organization that governs the schools in the region, changed the teaching and school management team, and have started the works to upgrade infrastructure. Other actions include increasing the involvement of communities, especially of parents of enrolled students.

Finally, the company aims to increase the participation of all employees in CSR-related activities. For example, several employees, pertaining to all categories, participated in field activities during the COVID 19 campaign. As of 2021, a contest of ideas for all employees, aimed at proposing initiatives, will be launched. These ideas will be selected prior to their implementation.

100% of our facilities meet the ILO standards

100% of developing countries have been audited in accordance with the BSCI





PILLAR

GLOBAL ENGAGEMENT



WE JOINED THE UN GLOBAL COMPACT, OUR COMMITMENT TO A SUSTAINABLE FUTURE

Tolsa is proud to be a member of the UN Global Compact, another step in the development of our sustainability strategy. The mission of the UN Global Compact is to create an international movement of sustainable companies, and encourage companies and organizations to align their strategies and operations with ten universal principles on human rights, labor standards, the environment, the fight against corruption, and promoting the Sustainable Development Goals (SDGs).

TOLSA PARTICIPATES IN THE LEADING BRANDS OF SPAIN FORUM.

Tolsa was selected as one of the companies to be part of the Leading Spanish Brands Forum. The FMRE is a public-private strategic alliance, in which the major Spanish companies with international projection and leading brands in their respective sectors of activity take part.

WE LOOK AFTER OUR FAMILIES AND THEIR COMMUNITIES

At Tolsa, we work to improve the environment and the lives of the communities in which we operate. Our project in Senegal secures schooling for more than 350 children and guarantees healthcare to more than 150 destitute families. In 2020, we organized campaigns for the distribution, and donation of school supplies, food and hygiene products for 400 families settled in villages surrounding our facilities in Pognene, Allou Kagne, Lam, Mbodiene and Warrang, to tackle the pandemic. Also this year, we conducted an awareness and early detection campaign on breast and uterine cancer, where we served over 200 women from the community surrounding our centers in Senegal, free of charge.

WE SUPPORT THE MOST VULNERABLE GROUPS.

At Tolsa, we provide assistance to the most vulnerable groups prioritizing, when possible, the selection of socially responsible suppliers. For years, Tolsa has worked with the Roncalli Special Center for Employment and Training to support the inclusion of people with intellectual disabilities. Some of the projects assigned to the foundation are the preparation of charity Christmas baskets, paper shredding campaigns and catering services. We also work with companies like Ilunion, aimed at integrating people with disabilities, outsourcing cleaning services for facilities and gardens of some of our centers.

SHARING VALUE IS SHARING KNOWLEDGE

Our innovation model is open, collaborative and, for this reason, every year our team of experts participates, together with other companies and training centers, in different workshops for the dissemination of the importance of minerals in our daily lives and their applications the industry. These workshops, designed for both businesses and individuals, have been attended by professionals from more than 27 countries. Our outreach efforts are a clear example of our OPEN corporate value. This remaining being open to opportunities, developing new learning experiences and, especially, sharing the areas of expertise that each of us masters.



SOLUTIONS FOR PROGRESS

Vision: Innovation is in our DNA and is embodied not only in our diversity of products and business lines, but also in our quest to develop the applications of the future by investing in R&D, and consolidating a corporate culture that encourages participation from every employee. We apply the principles of circular economy and we believe that new technologies are a key tool for our competitiveness, implementing at all times the data protection and cybersecurity measures deemed necessary.

Gonzalo Löwenberg, R&D Director

Why are R&D projects aimed at being sustainable products and in what field?

We believe that sustainable innovation is an essential element for the development of society, it's the only way possible, and this can be achieved through a new approach with our customers, with new products and processes. The Brundtland Report defined sustainability as "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

It consists of a 3-dimensional idea: environmental, social and economic sustainability, in contrast with the environmental degradation issue that so often accompanies economic growth and, at the same time, the need for such growth to alleviate poverty. At Tolsa, we share this vision

and our innovation strategy deems sustainable development as a fundamental pillar.

We want to be protagonists in this economic and social revolution, helping create the materials of the future. Our aim is to develop applications that move toward the goal of bringing value to the major challenges faced by humanity in all areas, for example:

- In the area of Safety and Health, with products that improve resistance to fire and changes in temperature. (Adins Fireproof).
- Improving antimicrobial and virucidal properties in different technical formulations (Adins Protection).
- In the area of Environment, with products for the selective removal of toxic substances from water, oil, etc.(Minclear).
- In Feeding, with additives that improve efficiency and profitability (Exal).

- In Animal Health, with products for gastric and intestinal protection (ATOX).
- In Animal hygiene, (Comfort and Sanicat).

...These and other trends are our source of inspiration and motivation to develop better (more sustainable), and durable materials, with enhanced features that increase the safety, health, comfort and sustainability of people. Our philosophy is based on the belief that sustainability is our responsibility. And so we work on achieving the Sustainable Development Goals, to achieve an economic growth that does not jeopardize the resources of the future.

What is the vision of the R&D Department? New lines of research...?

If we innovate in a sustainable way, namely, rationally, we will grow, and if we grow, we secure our future. Sustainable innovation should be considered part of the DNA of our company and our inspiration.

We believe we have a responsibility to work for a better world as a company, as a social actor, and as individuals. It is a privilege and our interest, as a global company, to apply our technology in the field of environmental improvement to

create value for our future generations. Circular economy is a system of increased business efficiency, whose creative potential had not been taken into account until recently.

Participation and partnerships with other entities?

The current model of sustainable innovation is much more open, expansive and collaborative. The challenges faced by humanity today are of such complexity that we are well aware that it is only by establishing networks and partnerships with our stakeholders that we will be able to meet the goals we have set for ourselves, and achieve a more equitable and sustainable world.

We are experts in minerals and their applications, and we want to work hand in hand with other companies and research centers to start building specific solutions to specific problems that require the certainty of knowledge.

This is the reason why we want to have the means needed, so that our customers and the communities where we operate may find the best solutions for the sustainable society that we are building together.



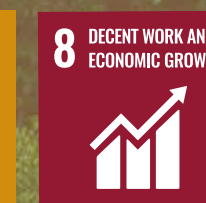
3.5% of our annual turnover is reinvested in R&D

49 patents registered in products and processes



PILLAR

SOLUTIONS FOR PROGRESS



WE WANT TO BUILD THE MATERIALS OF THE FUTURE

At Tolsa, we want to be have a leading role in the design of materials for the future, our aim is to develop mineral applications that help improve the lives of people, and our lines of research and development seek to solve some of the major challenges faced by humanity. Safety, health and hygiene, environment, transportation, food, housing solutions, etc., are among the trends that inspire us to develop more sustainable and durable materials, with features that enhance the safety, health and comfort of people. On this basis, we annually invest 4% of our turnover in Research and Development projects, and we have more than 1800 m2 of laboratories and facilities to create applications for the future.

LEADERS IN CIRCULAR ECONOMY

It has been 30 years since Tolsa incorporated the concepts of circular economy in its production processes. The result of this work developed our range of industrial additives. This commitment remains in force and, today, within our strategy for developing new products, we favor the use of waste material from other external industrial processes.

SANICAT, MORE SUSTAINABLE PET PRODUCTS

Sanicat, our brand of pet products, contributes to creating long-term value through two pillars, innovation and sustainability. An example of this commitment is the launch of a new range of hygienic plant-based litter, made from recycled waste and by-products from other industries. Sanicat is committed to reach 0% use of plastic in their products, using FSC certified paper and paperboard in its new releases.

TOLSA PARTICIPATES IN THE BEONNAT PROJECT

As experts in minerals and their applications, we work hand in hand with other companies and research institutions to jointly develop future applications. An example of this vision is illustrated in our participation in the BeonNAT Project, which aims to demonstrate the feasibility of using marginal land for forest biomass production for the manufacture of bioproducts with high added value. To do this, underutilized species of trees and shrubs will be cultivated in areas of marginal land in Germany, Romania and Spain. The BeonNAT project will also help protect biodiversity and improve soil fertility, and increase organic carbon reserves. In addition to offering excellent economic opportunities for the sector of organic products in Europe, this project will boost job creation in rural areas, thus helping to reduce the risk of depopulation. This project is funded within the framework of the EU Horizon 2020 Research and Innovation program, under contract No. 887917.

ADINS, A COMMITMENT TO SAFETY AND HUMAN HEALTH

Our technical expertise, technological capabilities and collaborative spirit have allowed us to develop products, which are a clear commitment to achieve our purpose: to develop applications that improve the lives of people worldwide. ADINS are based on sepiolite clay, and can now be found in various applications related to safety, environment and health. We contribute with new features that reinforce properties, in both organic and inorganic materials, by means of surface modifications and controlled particle growth.

- ADINS® Flame Retardancy is our range of synergistic flame-retardant additives for polymers, which act in current flame-proofing systems (halogen and halogen-free).
- ADINS® Clean is the range of photocatalytic products specifically designed to degrade organic contaminants. Its use allows for self-cleaning surfaces by the action of ultraviolet light from the sun.
- ADINS® Protection products are high-performance additives based on different active ingredients which can act as bactericides, fungicides and algacides, and be especially active against all enveloped viruses, including the Coronavirus strain, as well as Norovirus, Rotavirus and Adenovirus, according to NF EN 14476: 2013 + A2: 2019.



CARE FOR THE PLANET

Vision: We believe in sustainable mining and biodiversity protection. We care about the efficient use of resources and thus work on reducing our environmental impact through energy efficiency projects and others focused on our transition to renewable energy sources, including new policies to reduce the use of plastic in our products, and reducing overall waste in our processes and workplaces.

We cannot ignore the growing concern for the care of the planet and, therefore, our work must cater to this sensitivity.

Gonzalo García, Group Operations Director

Why is sustainability key to the Operations area?

Operations embody the materialization of our company values. Sustainability is not something one declares; it is something one implements. Therefore, all the stages of our value chain, from mining operations to the palletization of product, must incorporate sustainability criteria. And we are walking the talk, because we believe that is the way to go.

What is the vision of the Operations Department?

Our vision is one of anticipation. We cannot ignore the growing concern for the care of the planet and, therefore, our work must cater to this sensitivity. This implies a major change in the model we used to follow, where productivity was at the core of everything. We are changing our processes and habits to minimize any potential impacts. Our mining activity takes place on the ground, and the potential impact is significant. With this in mind, we have started standardization and control actions that will allow us to work within a framework of minimal impact, and respect for the environment. In 2021, Tolsa will be certified as company that applies sustainable mining practices, the second company in Spain to bestow such certification.

What is the critical point on which you are currently focusing?

There are several points: energy efficiency, decarbonization, and reduction in the use of plastic materials. Each point encompasses very concrete actions: we shut down our cogeneration turbine, and this resulted in a 50% reduction of our CO2 emissions, compared to 2019. We also promote the natural drying of our clays, thus reducing the use of gas as much as possible. Before the end of this year, we will resolve a tender for a self-consumption photovoltaic plant to increase the supply of clean energy. In addition, our new product range, Sanicat, is packaged in 100% plastic-free containers.

20,000

CO2 emissions tons reduced during 2020

42

Certifications / credentials





CARE FOR THE PLANET



TOWARDS SUSTAINABLE MINING

Tolsa believes that sustainable mining is possible. In addition to complying with the law in each of our mines, we are proud to use environmentally-friendly extraction methods. Part of this commitment is to ensure the restoration of the land to its original state, and conduct the environmental impact studies necessary to protect biodiversity. As part of this commitment in the year 2020, we have also wanted to actively contribute by restoring inert landfill in Pinto (Spain), reforestation over 1 hectare, with a promise to create and maintain our own Tolsa forest.

TOWARDS ENERGY EFFICIENCY AND RENEWABLE ENERGY SOURCES.

At TOLSA, we believe that a program for reducing and effectively using energy is possible. Thus, we work on measuring and correcting inefficiencies. Using energy efficiently is the first step towards achieving this goal. TOLSA has chosen to dismiss natural gas-based cogeneration, in the pursuit for renewable energy sources. Another example of our commitment to decarbonization is embodied in the renewal of our fleet of forklifts to electric models, as well as in the installation of a charging hub for electric vehicles for private use of our employees in Madrid.

TOLSA AND THE INDUSTRY 4.0

The implementation of this exciting project aims to digitize all our factories. I4.0 is a reinvention of the way in which we manufacture and work, by making a more effective use of information and technology to increase our competitiveness. During 2020, we started a pilot project for the implementation of the MES (Manufacturing Execution System), establishing a series of objectives:

- Automatic monitoring of packaging lines in real time.
- Automatic calculation of the OEE (Overall Equipment Effectiveness) %.
- Digitization of parts and production reports.
- Automation and centralization of fault alerts or incidents of each process line in real time.
- Automatic Report of the quantities produced and production time, and integration into our ERP.

AWARENESS CAMPAIGNS

Zero paper use, elimination of single-use plastic in our facilities, charity fundraising campaigns, and sustainability training, are some of the campaigns that have been made during this year.

WE ARE MUCH MORE THAN FIGURES

This is why you won't find much numbers in this catalogue. However, please feel free to look up all the information you are interested in on our website, where you will have access to details about our business lines, politics, certifications, projects and, of course, great numbers.

 Non-financial Report