



TOLSA's statement of continued support

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, Labor, 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 "J. Pau", enclosed within a circular scribble.

Javier Pau

TOLSA General Manager
Madrid, 09/06/2022



2021

Sustainability
Report



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Javier Pau,
General Manager



2021 Sustainability Report

Presentation Letter from Management

Over the past 65-plus years in business, Tolsa has branched out around the globe thanks to its enterprising spirit and the power to reinvent itself day by day.

Along the way, we have always placed people at the heart of what we do in the knowledge that none of it would make sense if we failed to make a positive impact on the communities we reach.

Aside from our financial and business results, we at Tolsa are committed to driving the United Nations 2030 Agenda and playing an active part in fulfilling the Sustainable Development Goals.

A crucial element in this process involved analysing how we are seen from the outside in an effort to understand the demands and concerns of our stakeholders, and this has shaped the basis of our Strategic Sustainability Plan.

People for Today and for Tomorrow;
Corporate Governance Accountability;
Care for the Planet; Global Engagement;

and Solutions for Humanity to Progress – These are the five pillars underpinning sustainable growth that we use to define not just our strategy, but also the everyday work of our employees and collaborators.

Today, I am proud to present the second Tolsa Sustainability Report as the outcome of this strategy, which is the roadmap that guides us to keep on growing with guarantees and responsibility.

Through this document, we aim to share the principles that inspire us every day and bring to light the activities we undertake each year in an active effort to help build a more sustainable future for all.

I wish to take this opportunity to thank all our stakeholders who support and believe in our company, enabling Tolsa ever since we started out in 1957 to carry on breaking new paths and keep going further.



Vision and ambition

Breaking New Paths **since 1957**

We're a **Spanish** company with an international vocation and a world leader in the extraction, treatment, and commercialisation of minerals. Our innovative thinking and more than 60 years of experience have led us to develop more than 250 applications that improve and connect people's lives throughout the world.



Since
1957



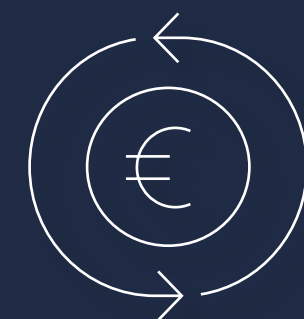
3,5%
invest in R&D



+40
patents



1.800m²
of Laboratories



194 millions €
of turnover



Operations in
more than
90 countries



150 millions
Tn of raw
materials



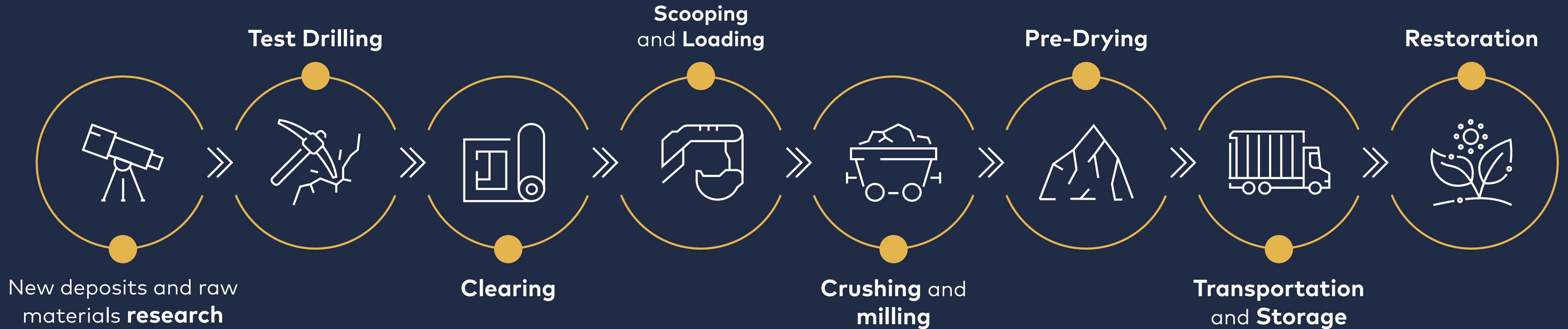
800
employees
from
20 countries

Our History



Value Chain

MINING PROCESS



Grinding



Drying



Sifting



Treatment and Transformation
Types of process: Absorbent Products
Wet Micronised Products
Dry Micronised Products



Packaging and Stock



Logistics
Multimodal transport, client B2B or distributor



Technical support



New Products and Solutions
development



PRODUCTION PROCESS

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.

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.



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 peo-

ple 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.



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.



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.

We are much more than minerals

We develop applications by extracting, treating and marketing minerals, and making good use of all resources that make progress possible: Natural, Technological, Experiential, Innovative, Social and Human.

This is why our purpose is to make a positive impact in society by making a better use of 21st Century resources. Our conscious business practices, global vision and innovative culture lead us to constantly investigate, project and drive the areas that we work in.

Our Solutions

Functional Additives



Industry Solutions



Environmental



Life Science



Pet care



[▶ Play](#)



Functional Additives

In our 'Functional Additives' division, we innovate by designing new generation additives, optimising their properties and bringing new functionalities to our clients' materials.

Fire Retardant Synergist · Viricide, Biocide, Fungicide and Algicide Additives · Photocatalytic Decontamination and Self-Cleaning Additives

adins Protection **adins** Flame retardancy **adins** Clean



Environmental

Products for industrial processes such as filtration, absorption, purification, debugging and spillage absorption processes for a **better environment**.

Industrial Absorbents · Bleaching Earths · Filtration, Purification & Clarification

Absonet Minclear Neroben



Pet care

More than **60 years of expertise** creating a complete offer of outstanding pet care products for the maximum comfort for your pet, family and planet.

Litter · Pet Hygiene

Kittyfriend Sanibird Sanicat — Nature at heart — **sanilove**



Industry Solutions

In 'Industry solutions' we develop additives used in various applications for the **heavy-duty industry**.

Civil Engineering · Drilling Performance · Materials · Foundry · Paper

Berkbent Cimsil Hybond Pansil Pangel



Life science

In 'Life Science' we innovate additives for the **animal feed and agricultural sector**.

Animal Production Additives · Agro Additives · Substrates & Peat

Exal Atox Mincrop SPLF





Tolsa sustainability Commitment

Sustainability

[Link](#)

Our sustainability strategy is the framework within which we define not only **the strategy of the company** but also the **day-to-day work of our people and partners**.

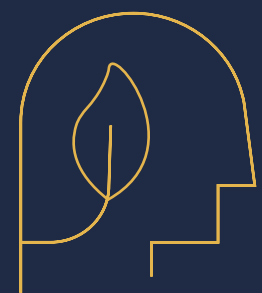
It seeks to create long-term value by making the most of opportunities and managing the risks arising out of our environment, whether caused by governmental or legislative changes, environmental challenges, technological innovations or social developments.

At Tolsa, we make a positive impact in society by making better use of 21st Century resources, focus in our Global Vision, Innovation Culture and Conscious Practices.

Our sustainability policy is based on:



Materiality Analysis



Sustainable Growth Pillars



Sustainable Development Goals

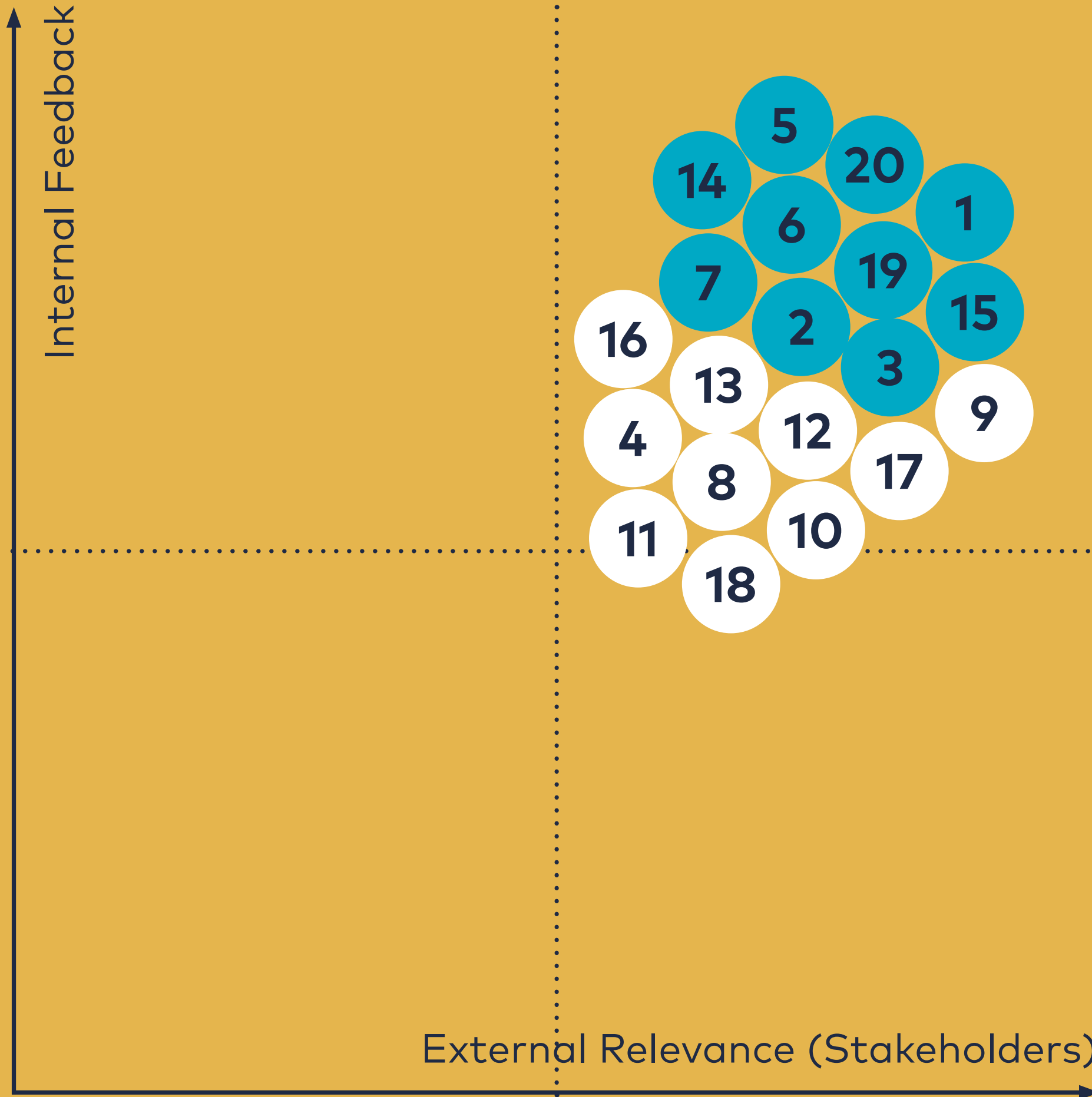
We make a positive impact in society by making better use of 21st Century resources.



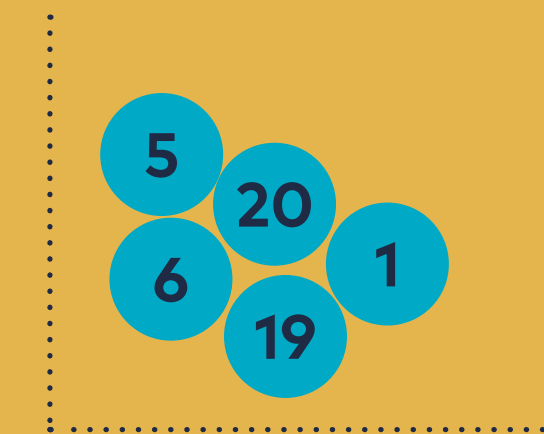
Materiality Analysis

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.

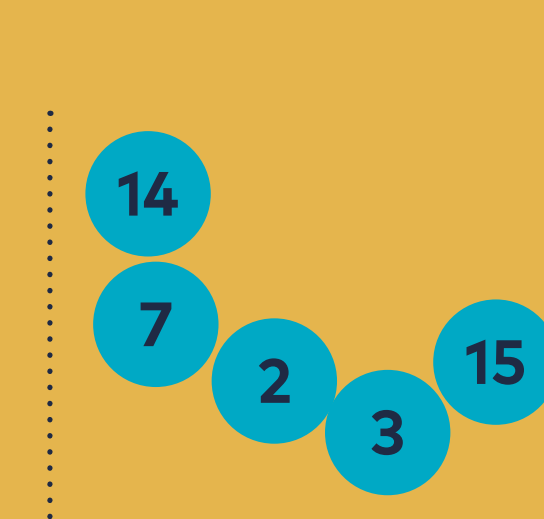


TOP 5



- 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



Our contribution to achieve a **sustainable future** for all

Our business ranges from mining to dispatching goods to clients. This naturally includes activities that can affect the environment, society and, of course, our workers and collaborators. Running a sustainable business has always been our priority, but we realise that it is not just about being sustainable – we have to prove it. We have been working keenly throughout 2021 to earn the Sustainable Mining Certification and also to extend our existing Environmental Certification. We are determined to implement standards that will help us become better by the day and to apply indicators to measure our performance, aiding us in setting the ongoing improvement goals which we include in our strategic sustainable development plan on an annual basis.

One of our core aims is to align with the EU goals on reduced emissions. We therefore work on boosting process efficiency, using fewer non-renewable combustion sources and more renewable energy sources such as solar power and natural mineral drying.

Another key aspect is our commitment to addressing climate change by optimising our operations and the activities that take place all along our supply chain. We aim for more than just regulatory compliance, so every year we spearhead reforestation projects to protect biodiversity and the ecosystems where our work takes place.

Having adhered to the United Nations Global Compact also compels us to strive for a fairer society fostering equal opportunities. At Tolsa, we make an active contribution not

only through our policies and being a certified business, but also by engaging in very specific actions to improve health and education in underprivileged communities, helping to reduce inequality and boost financial growth. One example is our Corporate Social Responsibility project in Senegal, which ensures that over 350 children can go to school and guarantees healthcare for more than 150 families living in precarious situations.



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

Marisa Sánchez Díez Finance Director



3.2%
CARG



40
certification/verification
audits/year



Which are the main projects championed by the Financial and Legal departments in 2021?

Tolsa has been working throughout 2021 on developing a Compliance Policy, providing an updated definition of the regulatory compliance principles and basic guidelines followed here at Tolsa and our dependant organisations. The aim with this Policy is to express Tolsa's will to foster a regulatory compliance culture in which for professional, honest, righteous and transparent behaviour to thrive, as well as to strongly condemn any unlawful acts so that they are never perpetrated on the pretence of benefiting the organization.

What mechanisms have been put in place to ensure ethical behaviour and address the potential risks our activity entails?

Tolsa has implemented a Comprehensive Risk Management System seeking to promote a true ethical business culture and also to prevent and detect any improper or unlawful occurrences. It is equally important to note that we have set up a Compliance Committee which is in charge of making sure this System works properly, with the independence and authority needed to carry out its functions.

How important are audits and certifications in our Compliance model?

Both internal audits and independent audits that entail certification are essential to verify and demonstrate compliance with the commitments we have made. They are a key part of our strategy because, in addition to certifying our commitment, they help us to implement continuous improvement plans in order to grow with guarantees and responsibility.

What comes next?

To ensure that our Compliance Policy is consolidated and applied, we have established a specific regulatory compliance training plan for everyone who collaborates with the Group, including the Management Board, Senior Managers and Executives.

This allows Tolsa to reinforce and promote our business ethics culture, provide a firm basis for our control mechanisms and reduce the likelihood of any direct or indirect cases of non-compliance, making it clear that we expressly proscribe any unlawful or immoral behaviour.



Our certifications attest our commitment to continuous improvement

At Tolsa, we are firmly determined to creating ethical, safe and equal working environments, through biannual audits, including BSCI, EcoVadis, Sedex_SME-TA, BRC, FSC, ISO14001, and CSR standard by SGS.

We also guarantee the quality of our products through FAMI QS, HALAL, KOSHER, ISO 9001, BRC, NSF and API certifications.

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.

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.

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.





Mar Martínez
Human Resources
Director

96%
permanent
Contract



100%
of our plants
meet ILO
standards



What key projects has the Human Resources department spearheaded in 2021?

At Tolsa, we are proud to build our sustainable business based on facts, consolidating our policy through very specific actions according to our people-centred management model and in line with our Sustainability Pillars. This goal of ours led to various strategic projects in 2021:

- Creating the People Site to host our policies, processes and key people management tools.
- Digitalizing and integrating all our people management processes within the corporate ERP so as to help managers and employees go about their day-to-day interactions in a modern and interactive way.
- Creating the Tolsa Academy, our digital training platform, to encourage employee development and keep them up to date with key content.

In such a competitive global market, what does Tolsa do to retain talent?

We realise how important it is to hold on to the very best talent and we know that creating development opportunities is an essential way of doing so. In April 2021, we produced the first graphic representation of our Talent Map following a Performance Evaluation process. Identifying employees according to their level of performance and potential has helped us to keep working on suitable Career Plans according to those results.

How do we embrace diversity?

Tolsa hit a series of significant landmarks in terms of gender diversity in 2021. On the one hand, the very first female General Manager joined the company, which for an industrial and mining business is very telling of how highly our shareholders value diversity. Some of our management bodies currently have a female majority, such as the Strategy Committee where 6 out of 10 members are women. We have also launched our Diversity Manifesto outlining the 10 basic elements of how we manage diversity.

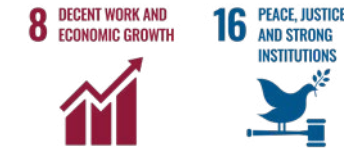
How do we align with our employees' expectations?

We will once again be launching the annual PEOPLE survey to measure how well we are progressing towards our goal because we continue to believe in this method.

Commitment, Measurement, Correction, Improvement and Sharing to keep moving forward.

We are heading into 2022 with the conviction that our CARE value should guide everything we do, challenging ourselves to carry on developing aspects such as training, communication and efficient use of resources. I am certain this is the right track to ensure everyone working at Tolsa stays motivated in their engagement.

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 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.



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."



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.

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.

Gonzalo García
Operations
Director



Why is Global Engagement one of our key sustainable growth pillars?

Our aim is to be leaders in our business sectors and this cannot be achieved unless we listen actively to what goes on around us. We strive for ongoing improvement and to establish the communication, measurement and analysis channels needed to make better decisions and help strengthen our commitment towards stakeholders.

What role does the Operations department play in this strategy?

Tolsa is an international company with a commercial presence in over 90 countries, which means we are fully aware of the diversity that surrounds us, as well as the opportunities and, of course, the risks. We at Operations are steering the Sustainability area because we want sustainability to stand at the heart of our mining and industrial processes.

Tolsa was the second company in Spain to achieve the Sustainable Mining certification, as well as having earned other Corporate Social Responsibility seals and standards. We realise that simply saying we are sustainable will not do – we have to show it, day in, day out. And one way to prove

it is with increasingly demanding certifications and audits.

What role do alliances play in the Tolsa strategy?

At Tolsa, we are firm believers in building alliances, which is why we have joined the United Nations Global Compact, become members of IMA Europe and engaged in collaborations with universities, research centres and sector-leading businesses. Our goal, beyond working to create the materials of the future, is to generate wealth wherever we go by putting available resources to good use, and that applies to materials, digital elements and know-how.

A good example of this commitment is our taking part in the European BeonNat project, with 16 collaborating businesses and associations from 6 different countries. This undertaking aims to demonstrate the viability of sourcing underused forest resources in marginal lands to produce biomass and high added-value bio-products.

What challenges lie ahead for 2022?

We cannot overlook the rising concern for taking care our planet, so our work has to embrace

that cause. Tolsa has pioneered land restoration efforts and we have become a paradigm of best practice in mining operation. In 2022, we will bring our very first solar power project to fruition, with more to follow. Responsible use of resources stands high on the company's agenda and we go to great lengths to lessen our carbon footprint and the amount of plastic we use, as well as rationalising processes to help balance business demands with clean and cutting-edge operation criteria.



€164 k
 investment
 in CSR



27
 Strategic
 alliances

17 PARTNERSHIPS FOR THE GOALS



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).

17 PARTNERSHIPS FOR THE GOALS



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.

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



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.

4 QUALITY EDUCATION



10 REDUCED INEQUALITIES



17 PARTNERSHIPS FOR THE GOALS



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.

17 PARTNERSHIPS FOR THE GOALS



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.

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.

Almudena Vidal
Tolsa Fuctional
Additives Director



What are Functional Additives?

Here at Tolsa, we develop and market a broad range of innovative, effective and sustainable products. But our ADINS are, without doubt, what best reflects our commitment to innovation and sustainability. By altering the surface of our raw materials and ensuring controlled particle growth, we are able to produce new functionalities, reinforcing existing properties and introducing new ones in all kinds of materials.

What are the most innovative and sustainable solutions Tolsa offers?

First up, we have the ADINS Flame Retardancy range of synergic additives, offering a halogen-free flame retardant solution with very low environmental impact that seeks to reduce smoke emissions and enhance other retardant parameters for different systems. Then, there is our ADINS Clean photocatalytic additive that has been designed specially to break down the main organic contaminants found in the atmosphere (NO_x, VOCs), as well as affording the surfaces where it is ap-

plied a self-cleaning property based on the sun.

Our ADINS Protection products with their microbial action have a powerful effect on enhancing material durability, where including biocides is essential to lower or indeed prevent cleaning and maintenance costs, ultimately lessening the impact these materials have on our environment.

What is the added value of ADINS?

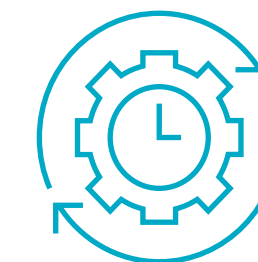
Thanks to the versatility of ADINS and the Tolsa team's expertise and know-how, we are able to develop new solutions that always address real market needs and new trends guided by a distinctly environmental and sustainable approach. This means we are constantly on the lookout for new functionalities. One example are the new opportunities we are exploring in the field of batteries and electromagnetic shielding, which are set to shape new trends and material optimisation needs in the years ahead. Based on our functional additives and supported by our clients, we hope to help clear away radiation from the environment and enhance battery efficiency.

At Tolsa, we aim to create the most innovative, safest and most sustainable materials of tomorrow.

Our functional additives are the materialisation of that pledge to build a better future.



+40
patents registered in products and processes



3.5%
of our annual turnover invested in R&D



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.



We want to build the materials of the future

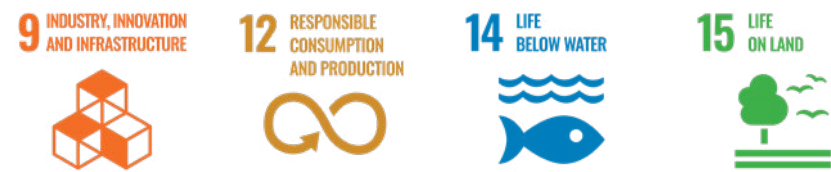
At Tolsa, we want to be have a leading role in the design of materials for the future, our aim is to develop mineral applications that help improve the lives of people, and our lines of research and development seek to solve some of the major challenges faced by humanity. Safety, health and hygiene, 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.



ADINS, a commitment to safety and human health

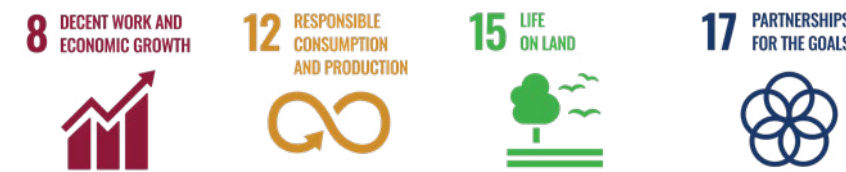
Our technical expertise, technological capabilities and collaborative spirit have allowed us to develop products, which are a clear commitment to achieve our purpose: to develop applications that improve the lives of people worldwide. ADINS are based on sepiolite clay, and can now be found in various 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.



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.

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.

Pedro Pezol
Supply Chain
Director



What challenges does the Supply Chain department face in ensuring sustainable growth?

The supply chain has a significant bearing on processes, provisions and how end products are dispatched and brought to market. Realising that, we are very conscious of the effect our daily work and our decisions can have. Because of what we do, we take great care to improve our logistical model and enhance our product packaging.

What action is being taken in terms of transport?

We have been keeping CO2 emissions in check for years, and that applies to both our own transport and our suppliers'. Our goods are locally sourced using alternative

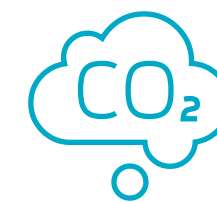
transport to ensure they are moved as little as possible, all in an effort to lessen our environmental impact. Our suppliers have supported us in this decision by reducing their own CO2 emissions by 12 %.

What improvements have been applied to make our packaging more sustainable?

We have raised the percentage of paper packages in our product portfolio and structured our offering to make things less complex, consolidating procurement with top-quality partners. We have switched to FSC paper in all of our brands and cut varnishes down to a minimum in favour of biological ink. We also started a project in 2021 to work less with single-use plastic and more with recycled packaging. Doing this has helped us to cut back

36 million tonnes of plastic this year, and we hope to make it 70 million a year by 2023. We are also looking at using reinforced paper or recycled plastic all across our large-format range. We hope to lower the amount of plastic we use by 50 % over the next few years. All in all, we are committed to achieving a safe, efficient, profitable and sustainable supply chain, where the key lies in lowering energy consumption and CO2 emissions as well as using more sustainable and recycled packaging.

At Tolsa, sustainability stands at the forefront of everything we do, our processes and our decisions.



48%

fewer CO2 emissions compared to 2019



15%

fewer Scope 1 emissions/year



Commercial presence in

+ 90
countries

13 CLIMATE ACTION

15 LIFE ON LAND


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), reforesting over 1 hectare, with a promise to create and maintain our own Tolsa forest.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION


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.

7 AFFORDABLE AND CLEAN ENERGY


Towards energy efficiency and renewable energy sources

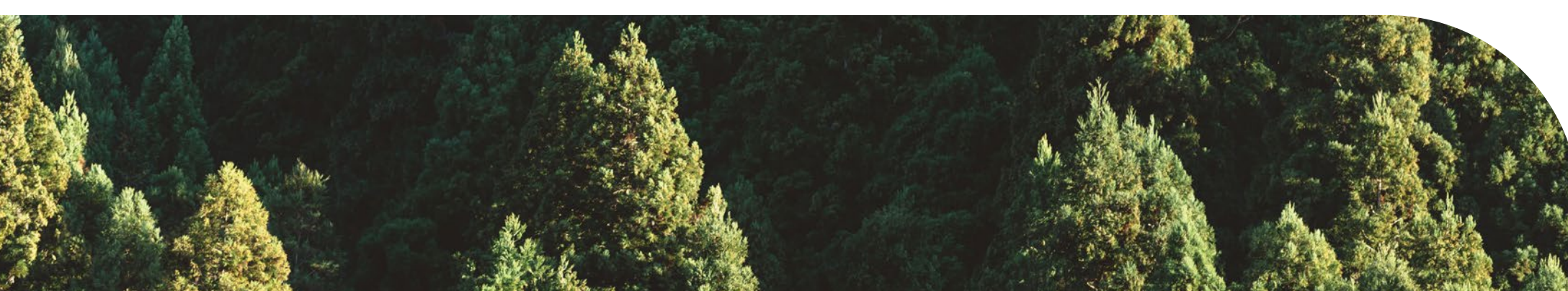
At Tolsa, we believe that a program for reducing and effectively using energy is possible. Thus, we work on measuring and correcting inefficiencies. Using energy efficiently is the first step towards achieving this goal. TOLSA has chosen to dismiss natural gas-based cogeneration, in the pursuit for renewable 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.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE


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.



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.

tolsa.com

