



Specialty Minerals Inc.

California Transparency in Supply Chains Act Disclosure

The Transparency in Supply Chains Act of 2010 is a California state law, applicable to certain large businesses, which was enacted to provide consumers with information from manufacturers and retailers regarding their efforts to prevent human trafficking and slavery in their supply chains. The California legislature believes that, by requiring businesses to make certain disclosures, consumers and other businesses may make more informed decisions regarding the products they choose to purchase and the companies with whom they choose to conduct business.

Minerals Technologies Inc. (“MTI”) is a resource- and technology-based company that develops, produces and markets worldwide a broad range of specialty mineral, minerals-based and synthetic minerals products and related systems and services. Specialty Minerals Inc. (“SMI”) is a wholly-owned subsidiary of MTI and, as part of MTI’s family, adopts and abides by MTI’s corporate responsibility principles.

Since it began operating, MTI has progressively increased its efforts to improve safety and efficiency, change corporate culture for the better, and assure sustainable growth. MTI takes corporate responsibility very seriously. Vital to these efforts is MTI’s guiding principle that its business activities be conducted in a lawful and ethical manner whether here, in the U.S., or at any of its other worldwide locations. MTI has a policy of placing the health and safety of its employees ahead of all else. In reward for its efforts, MTI has earned repeated recognition for outstanding performance in employee safety.

MTI purchases a variety of items from many various reputable and established suppliers. MTI is not, at this time, in a position to monitor the operations of every one of its many suppliers whether by way of self-conducted audits or through third party auditing. MTI has, however, historically, conveyed to and expects its suppliers to adhere to applicable law, including employment laws, and is in the process of updating its supply chain policies and processes.

Supplier Assessments, Qualification, and Reviews

Prior to engagement of a supplier, MTI follows a qualification process which may include interviewing the prospective supplier and conducting a risk-based assessment, which may also include supplier questionnaires and in some cases audits of supplier facilities. MTI’s expectation for compliance with ethical and legal standards is communicated to all potential suppliers. MTI continuously strives to improve its supply chain. Once a supplier is engaged, MTI and the supplier may develop performance targets and objectives and MTI monitors business performance through periodic evaluation and review of these performance targets and objectives.

Supplier Audits

While MTI does not currently audit every supplier, MTI does regularly audit certain suppliers to confirm compliance with supplier performance and quality standards. Audits are performed by MTI or third parties contracted by MTI. The audits are not solely for the purpose of investigating a supplier's reliance on human trafficking or slavery, but in the event such activities are detected during the audit, MTI would take appropriate action.

Supplier Agreements

MTI has supply agreements and/or purchase order terms and conditions with all of its suppliers. These contracts include certification and agreement to comply with all laws and regulations applicable to that supplier, including employment laws. As a responsible manufacturer, should we have any reason to believe that a raw material supplier is engaging in slavery or other unlawful human trafficking, we would take immediate action. For instance, according to MTI policy, suppliers will be removed from the Bidder's List when found to have engaged in illegal or unethical practices.

Code of Conduct

MTI's Code of Conduct outlines the company's expectations for business conduct and practices. It includes provisions on conducting business with high ethical and legal standards. It also highlights MTI's commitment to complying with the laws and regulations of its host communities. All employees are expected to ensure compliance with the Code of Conduct and report possible violations.

Employee Training and Compliance

All employees are required to acknowledge compliance with the MTI Code of Conduct in writing. MTI has internal training programs which, among other things, focus on the values set forth in its Code of Conduct. Employees whose job responsibilities include supply chain management, including international sourcing, receive such training. The training emphasizes that employees must not only comply with all applicable laws and regulations, but also must report to MTI any known or suspected violations of law or ethics, which could include violations of laws relating to human trafficking or slavery in MTI's supply chain. Failure of any employee to comply with MTI's Code of Conduct, including its reporting requirements, can lead to disciplinary action up to and including termination.