

Southern Clay Products, Inc.

On January 1, 2012, the California Transparency in Supply Chain Act went into effect in the State of California. The California Transparency in Supply Chain Act requires certain companies doing business in California to disclose their efforts in connection with identifying and preventing the risks of human trafficking and slavery in their direct supply chains. Although we do not currently:

- verify product supply chains to evaluate and address these risks,
- conduct audits to evaluate supplier compliance with company standards regarding these risks,
- require all of our direct suppliers to certify that the materials incorporated in our products comply with laws regarding such topics in the countries where they do business,
- have internal standards and processes in place for employees and contractors who fail to meet company standards regarding these risks,
- provide training for employees who have direct responsibility for supply chain management on this subject matter,

our Code of Business Conduct and Ethics clearly demonstrates that we are committed to conducting business in accordance with the highest ethical standards and in accordance with all applicable laws, regulations and rules. Along these lines, Rockwood Holdings, Inc., our ultimate parent company, is currently in the process of preparing its initial Sustainability Report in accordance with the GRI (Global Reporting Initiative) standards. In connection with this project, Southern Clay Products, Inc expects to identify and evaluate such risks in our supply chains.