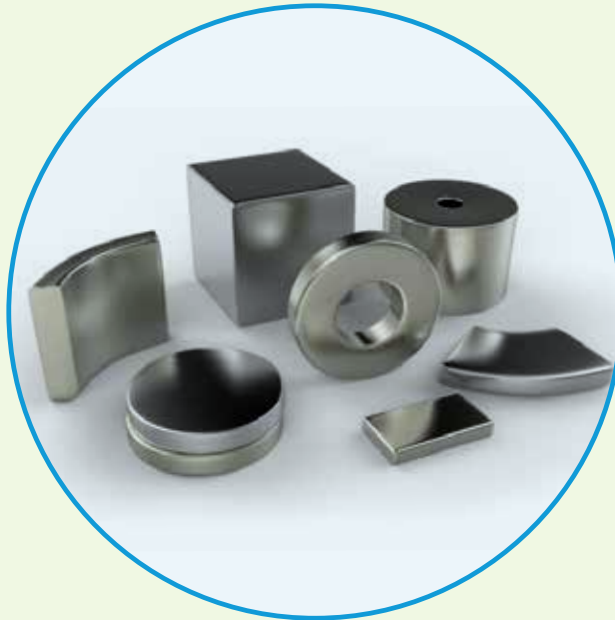




Performance Materials



Sustainability Report 2023

Fast forwarding the clean energy transition

Disclaimer

Please note that some of the information you will find in this Sustainability Report might consist of forward-looking statements including, without limitation, those regarding revenue, product volumes, product pricing, other income and expense measures, cash returns, and future business outlook including potential expansion plans. Actual results or trends could differ materially. For more information, please refer to the risk factors discussed in Neo's most recent financial filings.

Neo assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

Table of Contents

4 About Us

- 5 Neo's Sustainability Vision
- 6 Navigating Neo's 2023 Sustainability Report
- 7 Letter From the Chief Executive Officer
- 8 Empowering Vehicle Electrification
- 9 Industry Leading Technical Expertise
- 10 Responsible Supply Chain
- 11 Locations of Operations
- 12 Summary of Quality Standards Adopted
- 13 Reporting and Disclosure Methodology
- 14 Materiality
- 15 Awards and Certifications
- 17 What Next: The Future of our Sustainability Journey

18 Integration with the Natural Environment

- 20 Sustainability in Operations
- 21 Energy Management
- 24 Water and Effluents
- 26 Air Quality and Emissions
- 27 Waste
- 28 Vegetation Protection and Preservation

29 Social Impact

- 30 Getting to Know Our Global Teams
- 31 Employees
- 32 Training
- 33 Occupational Health and Safety
- 36 Local Communities
- 43 Supporting Education
- 44 Supply Chain Social and Human Rights Assessment
- 45 Customer Health and Safety

46 Respect For Governance

- 47 Corporate Governance
- 49 Ethical Business Practices
- 55 Stakeholder and Public Engagement
- 56 Proud Member of Global ESG Organizations

59 ESG Data

About Us

Neo Performance Materials is fast forwarding the green transition, serving as a catalyst for industries moving towards net-zero emissions. We achieve this by producing essential components for modern technologies that enhance both efficiency and sustainability.

Our portfolio includes advanced industrial materials such as magnetic powders and magnets, specialty chemicals, metals, and alloys, all sourced from rare earth and rare metal elements. These materials are critical to the functionality of numerous every day and emerging products and technologies, including hybrid and electric vehicles, pollution control systems, high-efficiency appliances and pumps, energy-efficient lighting, water purification systems, and more.

Our unparalleled technical expertise and strategic global presence enable us to deliver superior products complemented by exceptional customer service.

We are committed to a decarbonized future where industrial and mobility advancements continue to elevate human quality of life. This commitment is driven by our unwavering dedication to responsible supply chains and excellence in material science.



Neo's Sustainability Vision

At Neo, our corporate vision is to drive decarbonization across major industrial and mobility sectors. Through a legacy of innovative research and development, we have pioneered technologies that enhance energy efficiency, reduce fossil fuel reliance, minimize carbon-intensive processes, and improve air and water quality. We understand the urgency of driving innovation and promoting climate-friendly products. Equally important are the methods we use to produce these products and manage our operations.

To lead the critical materials industry, Neo is dedicated to promoting responsible supply chains and advancing material science. By adhering to disciplined practices, policies, and procedures, we aim to set new benchmarks in the sector.

A robust ESG reporting foundation is essential to support these efforts. From the outset, Neo has integrated ESG considerations into every facet of our business, implementing continuous improvement processes. This report marks our third annual publication of consolidated ESG-related material topics, expanding in scope as more resources are dedicated to reporting. Neo is committed to annual publication, ensuring stakeholders remain informed and engaged in our progress towards a sustainable future.

Our ESG initiatives are inspired by the best global practices, incorporating elements from leading frameworks such as the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB). This approach ensures that our ESG strategy aligns with international standards and reflects our dedication to transparency and accountability. Through these efforts, Neo is not just responding to the current demands of sustainability but also proactively shaping a more sustainable and responsible future for the industry and the world.

Navigating Neo's 2023 Sustainability Report

Neo's 2023 Sustainability Report, our third comprehensive review of sustainability issues critical to our stakeholders and business, is structured around the Environmental, Social, and Governance (ESG) framework. This year's report builds on the foundations of our 2021 and 2022 reports by broadening the range of material topics, incorporating stakeholder and internal feedback.

Sustainability Vision

Neo envisions a future where major industrial and mobility sectors are significantly decarbonized. Our cutting-edge R&D has been pivotal in developing technologies that improve energy efficiency, reduce fossil fuel consumption, and protect air and water quality.

We prioritize the adoption of climate-friendly products, the promotion of responsible supply chains, and the advancement of exemplary material science practices. We are committed to continuous improvement in the critical materials industry, and this report reflects our dedication to this mission.

Sustainable Products

Neo provides high-performance materials, including rare earths and metals, that drive the transition to a sustainable future, balancing environmental preservation, social progress, and economic growth. These materials support renewable energy, efficient transportation, waste reduction, and freshwater conservation.

Our advanced materials are essential for creating sustainable solutions that minimize environmental impacts and promote a circular economy. Neo is committed to leading in sustainability and improving our operations to reduce our environmental footprint.

ESG Framework

Neo recognizes the importance of ESG factors in achieving sustainable and responsible business practices. We use the ESG framework to identify and prioritize material topics. We focus on areas where we can make the most significant impact and align our business strategies with broader societal and environmental goals.

In the 2023 Sustainability Report, we highlight the most critical topics based on the ESG framework, presented in the order of Environmental, Social, and Governance. This approach allows us to communicate our sustainability performance transparently and emphasize areas of opportunities for improvement.



Letter from the Chief Executive Officer

As Neo's CEO, I am delighted to present our third annual Sustainability Report to our customers and shareholders. This report highlights Neo's dedication to supplying rare earth and rare metal-based materials essential for the global transition to green technologies.

For years, Neo has led the industry in environmentally responsible production practices and the development of products that enable sustainable technologies. Key initiatives include:

- Adding Clean Energy to Current Facilities:** Across the globe our teams have found creative ways to introduce clean energy through the installation of solar panels to improved productions processes.
- Public Dialog Participation:** We actively engage in global conferences, discussion forums, and industry associations. More recently, our Sillamäe facility joined the European Chemical Industry Council's Responsible Care program.
- Continued GHG Measurement and Scenario Planning:** We launched a robust greenhouse gas (GHG) measurement and long-range scenario planning exercise to set realistic carbon emission reduction targets.
- Emissions Technology Investment:** We continue to invest in air, water, and waste emissions technologies at our manufacturing sites, often exceeding local regulatory guidelines.
- Energy-Saving Magnets Facility:** The exterior of our new manufacturing facility in Estonia is complete. This Europe-first facility will produce energy-saving magnets tailored to the specifications of European automotive and wind energy OEMs.
- China Facility Relocation:** The completed relocation of NAMCO is a major operating facility in China. This relocation will reduce heavy industry concentration in a high-stress water region and mitigate groundwater risks.

I am grateful to Neo's Board of Directors for their unwavering support and high expectations of our management team's public reporting efforts. This initiative aligns with our entrepreneurial culture and has already produced positive outcomes for both the environment and our business. The sustainability report helps us institutionalize quantitative and qualitative data from our operating facilities, enhancing our management team's ability to discuss, debate, and improve our sustainability commitment. This transparency fosters open business conversations with customers, industry partners, and shareholders.

This year's Sustainability Report also serves as Neo's Communication of Progress to the UN Global Compact. We reaffirm our commitment to the UN Global Compact in 2023, upholding its principles and advancing initiatives like our recently adopted Human Rights and Responsible Procurement Policy. In today's interconnected business

environment, it is crucial to display our shared values and ensure our employees have the tools to engage in productive dialogue with our business partners.

I want to thank our ~1,800 team members worldwide for their dedication to commercial and ESG excellence. It is an honor to be on this journey to make our world a better place every day, with better and more responsible advanced materials.

Thank you,

Rahim Suleman
CEO & President



Empowering Vehicle Electrification

Advancing Electric Vehicles with Rare Earth Permanent Magnets

Rare earth permanent magnets (REPMs) are essential for the energy-efficient design of drivetrain motors in electric vehicles (EVs). Just as lithium-ion materials are crucial for EV batteries, REPMs are vital for EV motors.

Without REPMs, EV motors would suffer significant energy loss, requiring batteries 20-30% larger to achieve the same range. This would strain the already limited supply chain for critical battery materials and hinder the economic viability of EV adoption.

We uniquely manage dual supply chains for rare earth element (REE) separation and REE advanced materials both within and outside China. As governments worldwide set ambitious EV transition targets, addressing rare earth supply chain issues is increasingly important.

Using 1-2 kg of rare earth magnets in EV motors significantly reduces the need for lithium, nickel, cobalt, graphite, and magnesium in batteries without compromising performance and range. No alternative motor design matches the energy efficiency of rare-earth permanent magnets, which is essential for large-scale EV adoption.

Neo's Incoming European Sintered Magnet Plant

In 2022, Neo saw an unmet need in the market and commenced this project receiving up to 18.7€ million Euros from the Estonian Government under Europe's Just Transition Fund (JTF) program. This grant supports the construction of a state-of-the-art sintered rare earth permanent magnet manufacturing facility in Estonia. The project, initiated in 2021, completed site selection, detailed design, and procurement by 2022. Construction began in 2023, with the exterior substantially completed by August 2024. The facility is on track to start production in early 2025.

This facility will provide rare earth magnets supply chain options for our European and North American customers. It will be supplied with magnetic rare earth oxides from Neo's existing separation facility in Estonia, one of the only industrial-scale midstream facilities outside Asia. The initial production capacity will be 2,000 tonnes of sintered rare earth magnets per year, expanding to at least 5,000 tonnes per year in phase two. As demand for high-standard sintered rare earth magnets grows, Neo plans to explore constructing a similar facility



Industry-Leading Technical Expertise

Partnerships with Academic Institutions

Neo has established partnerships with academic institutions across North America, Europe, and Asia to stay at the forefront of innovation and technology. These alliances provide internship and co-op opportunities for promising young talent. We collaborate with the University of Toronto in Canada, Tallinn University of Technology and the University of Tartu in Estonia, Qingdao University of Science and Technology in China, and Suranaree University of Technology in Thailand.

By leveraging our industry experience and resources alongside the research capabilities of these institutions, we foster a culture of ongoing learning and development. In 2023, the University of Toronto presented significant findings from our collaborative research.



Superior Know-how and Collaborative Innovation

At Neo, we consistently deliver advanced materials for sustainable products and solutions, strengthened by our unwavering commitment to high quality and continuous improvement. With over 30 years of industry experience and significant investments in research and development, we aim to solidify our leadership position.

Our six R&D facilities, strategically located across North America, Europe, and Asia, support product development for our customers and local production facilities. In addition to creating new products and achieving unmatched quality and efficiency, our R&D teams also work on projects that reduce Neo's environmental footprint.

Sustainability Research

Neo's corporate vision is centered on leading the way toward a sustainable future. Through sponsored academic research partnerships, we are committed to developing innovative processes and technologies that reduce our environmental impact. We are proud to partner with the Industry Research Chair in Water and Sustainable Extractive Metallurgy at the University of Toronto's chemical engineering department.

This partnership focuses on creating technologies for water recovery, treatment, and reuse in the metals extraction and processing industry. Additionally, Neo collaborates with the metallurgical department at Suranaree University of Technology on research related to magnetic waste recycling.

Responsible Supply Chain

Procurement

Neo is dedicated to responsible procurement and adheres to the OECD's Model Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas. To continually improve our environmental and social practices, we aim to extend our assessment scope to include upstream entities as part of our ongoing initiatives. Transparency is a top priority at Neo, and we ensure that both existing and potential suppliers are fully informed about our environmental and social requirements.

Our procurement policy covers a broad range of environmental and social concerns, including compliance with environmental laws and regulations, avoiding collaboration with suppliers involved in human rights violations, setting standards for contractors, and considering other social and environmental factors in our decision-making process. To elevate their procurement standards, several of Neo's key facilities prioritize suppliers with higher levels of environmental certifications.

Fostering a Circular Economy

Neo fosters a sustainable circular economy by actively seeking opportunities and forming partnerships with suppliers and customers to recycle and minimize waste.

As an example, at our Tianjin, China facility continues its collaboration with suppliers and customers to reuse and recycle various types of product waste. Used magnesia, crucibles, and pouring tanks are sent to our supplier for recycling and refurbishment. Additionally, we work with customers to retrieve and recycle packaging cans, wooden pallets, and magnetic waste materials. Our Peterborough, Canada facility specializes in processing and recycling industrial scraps containing gallium, resulting in the production of gallium metal and high-purity gallium products. These initiatives demonstrate our commitment to promoting a sustainable circular economy and reducing our environmental footprint.

As well, our new rare earth magnet facility under construction in Estonia is being built with maximum swarf reclamation and recycling processes in mind. By actively engaging in these practices, Neo aims to contribute to a more sustainable and environmentally responsible future.

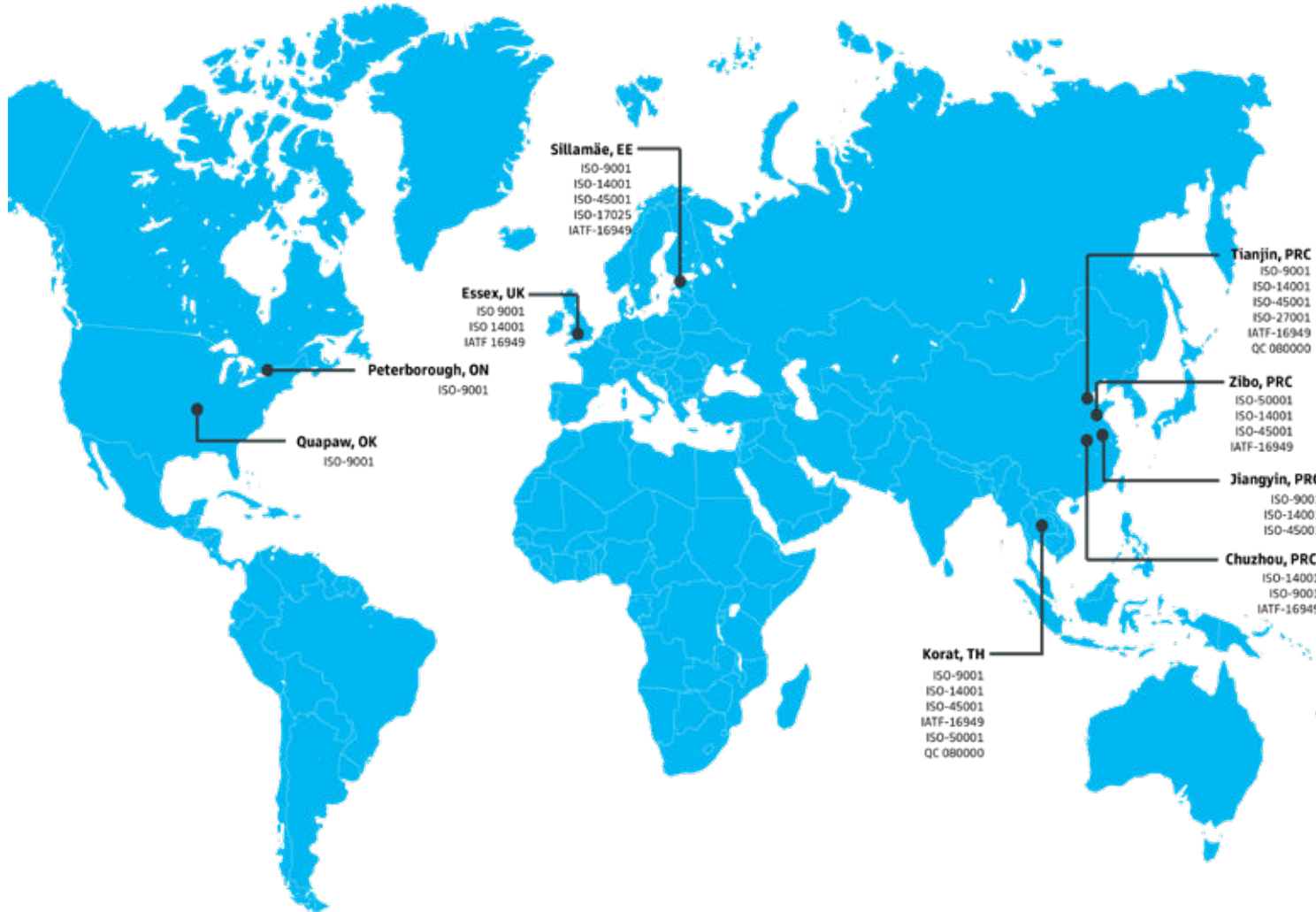


Locations of Operations



- LEGEND:**
- Production Facility
 - Research & Development
 - Corporate Offices
 - Sales & Liaison Offices

Summary of Quality Standards Adopted



Location	Standards
Peterborough	ISO-9001
Quapaw	ISO-9001
Sillamäe	ISO-9001 ISO-14001 ISO-45001 ISO-17025 IATF-16949
Korat	ISO-9001 ISO-14001 ISO-45001 IATF-16949 ISO-50001 QC 080000
Zibo	ISO-50001 ISO-14001 ISO-45001 IATF-16949
Tianjin	ISO-9001 ISO-14001 ISO-45001 ISO-27001 IATF-16949 QC 080000
Jiangyin	ISO-9001 ISO-14001 ISO-45001
Chuzhou	ISO-14001 ISO-9001 IATF-16949
Essex	ISO 9001 ISO 14001 IATF 16949

Reporting and Disclosure Methodology

Sustainability Report Context and Methodology

Neo's inaugural 2021 Sustainability Report was launched following a clear directive from the Board of Directors. This led to the formation of the Working Group on Sustainability, which developed and implemented the reporting strategy in 2022. For the second sustainability report in 2022, the working group expanded the report's scope, aligning it with Neo's vision of continuous improvement in sustainability and incorporating feedback from stakeholders and the 2021 report.

In 2022, Neo's Working Group on Sustainability engaged external advisors to bolster their internal expertise. This included educational materials and training on ESG Reporting Standards and Frameworks. Collaborating with the external advisor, Neo identified key topics for the 2021 report. The 2022 report provided more comprehensive insights and incorporated new material topics to accurately reflect the organization's economic, environmental, and social impacts. The working group used a thorough radar to identify these topics, following disclosure guidelines from GRI, SASB, and UN SDG frameworks.

Reporting Period and Boundaries

In our third sustainability report, we build upon the foundations laid in our 2021 and 2022 reports and report on key metrics for throughout the 2023 calendar year.

This report also includes selected data from the past three years (2020, 2021, and 2022) to provide context on an overview of performance trends. Our goal is to establish practical and ambitious long-term objectives through a thorough analysis of historical trends. The data from the past few years also provides context for results that may have been affected by the global pandemic between 2020 and 2022.

Primary Reporting Standards

Sustainability Accounting Standards Board (SASB): SASB connects businesses and investors by highlighting the financial impacts of sustainability through industry-specific standards.

Global Reporting Initiative (GRI): GRI Standards provide a comprehensive framework for reporting on ESG performance, covering climate change, labor practices, human rights, and anti-corruption.

United Nations Global Compact: Since 2021, Neo has integrated the 10 Principles of the UN Global Compact into its operations to ensure responsible business practices.

United Nations' Sustainable Development Goals (SDGs): Neo aligned its HESS goals with the UN's 17 SDGs in 2023 and received UN approval.

Materiality

Neo utilized peer research and sustainability standards and frameworks to develop an initial list of ESG topics for further assessment to determine their material relevance to our operations.

In reporting under the SASB framework, Neo identified material topics based on those recommended by the 2023 SASB standards for the Chemicals industry. Additionally, Neo considered further social and governance-related materiality topics beyond the SASB recommendations.

A key component of Neo's Materiality Assessment process was a workshop facilitated by third-party consultants. This workshop included a diverse mix of multi-disciplinary and multi-jurisdictional management participants, representing a wide range of skills, perspectives, geographies, age groups, genders, responsibilities, and industry experience.

Below is a table defining Neo's most material topics:

Material ESG Issue	Definition
Regulatory and Legal Compliance	Neo's compliance to regulations, preparation for future regulatory changes, and alignment of its regulatory strategy with sustainability objectives.
Waste and Hazardous Material Management	Neo's implementation of environmentally sound waste management, that reduces waste through reuse and recycling.
Ethical Business Practices and Sourcing	Neo's procurement practices to support local suppliers and prevent any potential negative social impacts along the supply chain.
Energy Management	Neo's measurement of its energy mix and intensity, along with its development of its energy reduction strategy.
Air Quality	Neo's adherence to regulations and its reduction strategy regarding air emissions including, sulfur dioxides (SOx), nitrogen oxides (NOx), and Hazardous Air Pollutants (HAPs).
GHG Emissions	Neo's adherence to regulations, measurement, and its reduction strategy regarding direct (Scope 1 and 2) greenhouse gas (GHG) emission.
Water and Wastewater Management	Neo's measurement of the amount of water withdrawn and consumed, its monitoring of the quality of discharges and their impact on the functioning of the ecosystem in numerous ways.
Occupational Health and Safety	Neo's measurement of the amount of water withdrawn and consumed, its monitoring of the quality of discharges and their impact on the functioning of the ecosystem in numerous ways.
Human Rights Assessment	Neo's advancement of human rights policies throughout both its operations and its supply chain counterparties.
Supplier Social Assessment	Neo's awareness efforts of negative social impacts either through its own activities or as a result of its business relationships with other parties.
Labor Management	Neo's adherence to global labor rights standards and advancement of best practices.
Customer Health and Safety	Neo's systematic efforts to address health and safety across the life cycle of a product or service, and its adherence to customer health and safety regulations and voluntary codes.
Local Community	Neo's anticipation and prevention of negative impacts on local communities.

Awards and Certifications

EcoVadis Sustainability Rating

Neo's rare earth facilities are operating in the EcoVadis tracking and reporting system. Leadership in global sustainability has been a key pillar of Neo's long-term growth strategy. Notable accomplishments by several of our largest facilities in the EcoVadis Audits are these:

- Neo's European rare earth and rare metal processing facility in Sillamäe, Estonia, the sole operating commercial rare earth separations and rare metal processing plant in the European Union, has been awarded a Gold Medal by EcoVadis for its 2023 sustainability programs.
- Neo's Magnequench's rare earth magnetic materials production plant in Tiajin, China, has received a Gold Medal from EcoVadis for its 2024 sustainability programs.
- Neo Magnequench's rare earth magnetic materials production plant in Korat, Thailand, has received a Gold Medal from EcoVadis for its 2023 sustainability programs.
- Neo Chemical & Oxide facility in Zibo, China, was granted a Gold Medal by EcoVadis for its 2023 sustainability programs.

Ecovadis 2023 recognition is built on previous gold medals and places Neo's plants among the top five percent of all facilities globally reporting their sustainability efforts to EcoVadis.



Awards and Certifications

Notable Awards and Accomplishments



Responsible Minerals Initiative Sillamäe 2023

In 2023, NPM Silmet OU completed an assessment against the Responsible Minerals Assurance Process Standard for Tantalum 2017.



Top 100 Enterprise in Linzi District

Neo's Chemical & Oxide facility in the Linzi district received "Top 100 Enterprises in the District in Realizing Local General Public Budget Revenue" for 2023 and 2024.



Zibo Facility Relocation

For the second year, Neo Chemicals & Oxides facility in Zibo, China was awarded "Excellence in Major Construction Project" by the local government in recognition of the plant's relocation project in 2022 and 2023.



Tianjin Advanced Foreign Investment Enterprise

In 2023, Neo Magnequench's rare earth magnetic materials production plant in Tianjin, China received an award from the Tianjin Wuqing Development Zone as an "Advanced Foreign Investment Enterprise" for Neo's continued commitment and investment in the Tianjin region for the 2023 calendar year.



Shandong Education Foundation

Neo Chemical & Oxide facilities in Zibo, China was awarded the honorary title of "Outstanding Contribution to Education Award" for its commitment to education in the region for 2023. The Zibo team supported the Shandong Education Foundation.

New NAMCO auto catalyst converter facility in Zibo, China

What Next: The Future of our Sustainability Journey

Neo's ESG Working Group has thoroughly evaluated the internal goals set for 2023. Based on our achievements and learnings, we have established a series of new, ambitious objectives for 2023. Our focus remains steadfast on enhancing environmental, social, and governance performance across our operations.

Long-Term GHG Emission Reduction Planning and Strategizing

Neo is fully committed to addressing climate change by setting and achieving ambitious GHG reduction goals. Building on our previous work, we will continue to collaborate closely with environmental consultants to finalize our internal evaluation of historical GHG emissions and reduction opportunities. Moving forward, our focus will be on developing and implementing effective strategies to reduce our carbon footprint across our business units. We recognize the urgent need for action and are actively working toward this objective.

Third-Party Evaluation Improvement

As part of our ongoing commitment to transparency and continuous improvement, we will further increase our participation in third-party evaluations and audits. By engaging with reputable ESG evaluators, we aim to identify areas for improvement and measure our progress against industry benchmarks. This increased scrutiny will help us ensure that our sustainability efforts are effective and aligned with global best practices.

Continue Implementation of Procurement Policy

Our new procurement policy has successfully enhanced transparency across our value chain and encouraged responsible purchasing decisions. Moving forward, we will continue to strengthen our commitment to sustainable procurement practices and work closely with our suppliers to ensure they adhere to our high environmental and social

Driving New Corporate Philanthropy Project

In the coming year, we are excited to launch a new philanthropic initiative that aligns with our corporate values and supports our commitment to sustainability. This project will focus on creating positive social impacts in the communities where we operate. We look forward to seeing the benefits this initiative will bring and sharing its progress in future reports.

Our dedication to these four themes highlights Neo's unwavering commitment to a more sustainable future. We will continue to prioritize transparency and ongoing improvement in our efforts to reduce our carbon footprint, engage with third-party evaluators, promote sustainable procurement, and launch philanthropic projects that support our communities. We are excited about the progress we will make together and look forward to sharing our achievements in the years to come.



neo^o

**INTERGRATION
WITH THE NATURAL
ENVIRONMENT**

Integration with the Natural Environment

Neo's Sustainability Strategy

Neo operate our facilities with environmental integrity and with the objective of meeting or exceeding applicable standards. Our goals include improving water usage, wastewater treatment, waste reduction, energy usage, emissions, and using low-resource-intensive materials. Our environmental and economic objectives align to drive progress.

We continuously improve our operations to support innovative and sustainable technologies.

Environment & Sustainability Policy

We are committed to sustainable production practices and minimizing our environmental impact. We use tools like environmental impact reviews, mitigation strategies, annual goals, management reviews, incident investigations, and compliance audits.

Our products help reduce air pollution, provide clean water, lower energy consumption, and minimize environmental footprints. We promote recycling and circular supply chains.

Our major facilities are ISO-14001 certified, involving environmental reviews, mitigation, annual goals, and management reviews. Corporate-level systems set and track HESS goals, with progress reviewed quarterly by the Executive Team and Board, integrating these goals into management compensation.

Data Collection Methodology

We engaged an external environmental engineering firm to collect data on energy, water, GHG, air quality, and waste management. This firm supports our internal efforts to ensure consistent reporting across sites, in line with SASB and, from 2023, GRI standards.

Sustainability in Operations

Neo's Mission to Enhance the Environment

Neo has been a trailblazer in the industry for several years, championing environmentally responsible operations and producing products that facilitate the use of sustainable technologies. The company has continued to embark on strategic initiatives and form collaborations to strengthen its position in the sustainability movement.

- We are a signatory to the United Nations Global Compact.
- We are active members of the Responsible Minerals Initiative.
- We are a member of the Rare Earth Industry Association.
- We are part of the Canadian Critical Minerals & Materials Alliance.
- We relocated a major operating facility in China to reduce the concentration of heavy industry in a high-stress water region and reduce potential risk to groundwater sources.
- We participate in and share data and industry insights for public policy-making within the European Raw Materials Alliance, Wind Europe, and the Tantalum and Niobium International Study Center.
- We invest in air, water, and waste emissions control technologies at manufacturing sites helping us meet and exceed local regulatory guidelines.



United Nations
Global Compact

EUROPEAN
RAW MATERIALS
ALLIANCE
ERMA



Wind
EUROPE



Energy Management

At Neo, we recognize energy management as an essential aspect of sustainable operations. Our advanced materials enable our customers to develop highly energy-efficient solutions that contribute to the broader sustainability goals. Across our operations in North America, Europe, and Asia, we are consistently striving to reduce energy usage. By incorporating energy management into every aspect of our business, we demonstrate our commitment to responsible corporate stewardship and contribute to global efforts against climate change.

Neo's Energy Consumption

Neo's total energy consumed in 2023 is estimated at 1.07 million gigajoules.

Neo's energy consumption in 2023, segmented by source type:

Energy Source Type	Total Consumption (GJ)	Contributions to Total
Gas, Diesel, LPG consumption	3,256	0.3%
Natural Gas	198,960	18.61%
Grid Electricity	339,869	31.80%
Internal Electricity Generation	2,831	0.26%
Steam / Other Heating	523,431	48.97%
Total Energy Consumption		
Total Non-renewable	823,843	77.1%
Total Renewable	244,988	22.9%

Energy Management

Key Energy Initiatives

- In Zibo, China our NAMCO facility installed solar panels on three buildings which is projected to generate ~200,000 kWh/year.



NAMCO Control Room



NAMCO Analysis Room

- In Sagard, Germany our facility's new solar panel project is projected to generate ~200,000 kWh/year.



Solar panels on Sagard facility

Successful Solar Energy Project in Korat, Thailand

In 2021, our Korat, Thailand facility completed a solar energy project, installing solar panels on the roof of a production building with a generation capacity of 295 kW. In 2022, Korat completed the installation of a second rooftop solar energy project, with a generation capacity of 300 kW, doubling the total solar energy capability. The combination of the two solar energy projects can generate 40% of Korat's peak time electricity usage. This reduces the facility's carbon footprint and alleviates pressure on the local power grid.

Furthermore, to further optimize the facility's power usage, an energy management algorithm was introduced in 2022. The algorithm works by decreasing power draw during peak times and increasing power draw during off-peak hours.

In 2023, these two solar projects generate approximately 760 MWh of electricity annually, offsetting roughly 15% of the facility's total energy consumption in 2023.



Korat's two solar rooftop projects: left (2022), right (2021)

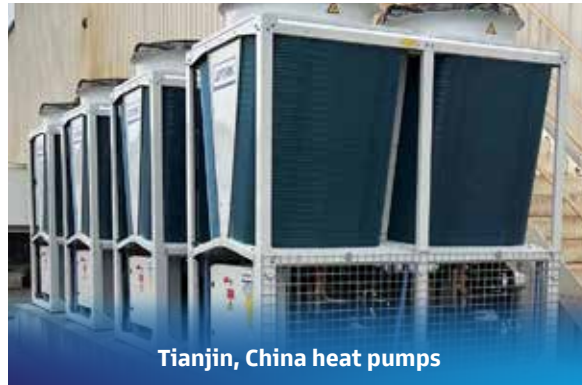
Energy Management

Finding Efficiencies in Current Operations



In 2023, Neo's teams around the world found new ways to save energy through new processes and technologies. Here are the most notable from 2023:

- In Jiangyin, China, our team carried out a Cleaner Production Audit which identified 12 process improvement leading to an annual energy **savings of 38,300 kilowatt-hours (kWh)**.
- In Tianjin, China, our team improved our Jet Cast direct melting process **projected to save 450,000 kWh/year** and installed heat pumps on office buildings **projected to save 30,000 kWh/year**.
- In Korat, Thailand, our team constructed a new machine shop with clear glass panels for a roof. This energy efficient design philosophy will decrease artificial light use through the daytime.



Water and Effluents

Neo's Water Strategy

Neo recognizes water withdrawal and discharge can significantly impact the environment risks related to withdrawals, consumption, and discharge such as depletion of water resources, negative impacts on aquatic ecosystems, and contamination of water sources. Neo's plant operations teams thoroughly use water for feedstock processing and cooling. Wastewater treatment is performed either on-site or through a wastewater treatment service before water is discharged back to its source or to a community wastewater treatment site at instances where water is used in the manufacturing process.

Water Withdrawal

Neo's total water withdrawal in 2023 is 2.386 million cubic meters (m³).

- We have five operating facilities located in regions classified as either High or Extremely High Water Baseline Water Stress levels according to the World Resource Institute's (WRI) Water Risk Atlas tool, "Aqueduct." These facilities' water withdrawal represents 90% of Neo's total water withdrawn.
- 52% of our water withdrawal is sourced from the Baltic Sea's Gulf of Finland, and is primarily used for cooling purposes. This water is returned to the sea without the need for any chemical treatment.
- In 2023, our total water discharge amounted to 2.265 million cubic meters, which represents 100% of our total water withdrawn.

Neo follows the GRI 303-5 definition for water consumption, measuring it as difference between water withdrawn and discharged at each of our facilities. In 2023, the total water consumption amounted to 0.124 million cubic meters, of which 0.1 million cubic meters were consumed in regions with high water stress, accounting for 80% of the water consumed.

Neo's manufacturing operations are designed to utilize water resources efficiently, taking into account the specific processing requirements and the availability of local water sources. Neo's net change in water withdrawn versus water discharge across all production represents less than 1 percent of a cubic meter of water consumed per kilogram of material produced, or approximately 9 liters of water per kilogram of product. Neo is committed to meeting or exceeding all water discharge quality laws and regulations set by host jurisdictions, and in 2023, the company had zero (0) incidents of non-compliance with water quality permits, standards, and regulations.

Water and Effluents

Water Saving at Neo



Neo's production plants across the globe continues to find innovative and creative solutions to reduce water usage/consumption and impact from water discharge. In 2023, water related initiatives and projects include:

- At our Jiangyin, China facility, a cleaner production audit in 2023 resulted in a **water savings of 0.5 tons** by reusing wastewater for lime dissolution and reusing crystallization cooling water. Additionally, the site reduced its overall water consumption intensity by 8 metric tons per metric ton of production.
- Our Korat, Thailand facility maintained its commitment to a zero-discharge philosophy in 2023, treating all wastewater on-site and recycling it for irrigation.
- Our Quapaw, Oklahoma facility implemented the use of foot vales for cleaning operations to reduce water consumption.



Lilypond at Neo's Jiangyin manufacturing plant.

Zero-Incident Track Record



Number of incidents of non-compliance associated with water quality permits, standards and regulations

2020	2021	2022	2023
0	0	0	0

Plant managers and HESS managers at our facilities conduct active assessments of water risks and put in place corresponding mitigation strategies and projects. For instance, our plant in Korat, Thailand continues to address the risk of rainwater overflow. Meanwhile, some local managements have determined water-related risks to be either minor or robustly controlled, as seen in our plants in Tianjin and Jiangyin, China, and Peterborough, Canada. At our Tianjin facility, we comply with local regulations by discharging sewage at a Level III standard.

In general, water management practices do not lead to lifecycle impacts or trade-offs in plant operations. Our Korat plant, for example, operates on a zero-discharge basis by means of recycling. However, in some cases, additional electricity consumption is necessary to power the water treatment process, as is the case at our Tianjin plant. Neo remains committed to meeting and surpassing standards for water quality and compliance with discharge laws and regulations, as evidenced by zero incidents of non-compliance in 2023.

Air Quality and Emissions

Neo's Ambitious GHG Plan

Neo continues to build upon the foundational work on GHG emission reduction initiatives. We have collaborated extensively with environmental consultants to analyze and review our key current and historical greenhouse gas (GHG) metrics, ensuring that our strategies are both robust and responsive to evolving environmental challenges.

In 2023, we have made significant strides in evaluating GHG emissions projections and identifying projects with substantial potential for emissions reduction. We completed a detailed assessment of our baseline emissions, conducted a rigorous cost-benefit analysis of GHG reduction opportunities, and developed an innovative tool that assesses the emissions impact of capital projects.



Scope 1 & 2 Emissions

In 2023, Neo emitted a total of 125 thousand metric tons of CO2 equivalent gases (Scope 1 and Scope 2 combined). Neo's emissions are primarily driven by our energy demand.

	2021	2022	2023
Scope 1	20,311	14,751	17,149
Scope 2	117,275	106,171	107,880

Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Other

Pollutant	2021	2022	2023
NOx (t)	28.7	28.4	24.8
SOx (t)	4.5	2.3	4.6
VOCs (t)	6.1	5.8	2.3
Particulate Matter PM10 (t)	8.3	4.3	21.0
Other HAPs (t)	112	72.3	51.5

Neo monitors pertinent hazardous air pollutants; in addition to the list of HAPs as defined by SASB and the EPA, we also report data for emissions of Ammonia (NH3), Ammonium Hydroxide, Hydrogen chloride (HCl), CO, nitric acid and Fluorine and gaseous fluorides as we believe this provides a full depiction of air quality and emissions in our communities.



Continuous Improvement in Methodology

At Neo, we are dedicated to maintaining transparency in data reporting and to continually enhancing our reporting. We have refined our data calculation methodologies, leading to improvements in the accuracy and reliability of our data. This includes working in partnership with a third-party consulting firm to bolster our data collection and analysis methods.

As part of our on-going GHG reduction plan development, we reviewed our 2021 and 2022 GHG Scope 1 & 2 emissions previously reported and found the following opportunities for calculation improvements:

- Updated methodology: refined definition of GHG inventory (excluded emissions of an operation entity acquired by Neo in 2023 from previous reporting periods).
- Corrected unit conversion for select data

The data restatement for 2021 and 2022 Scope 1&2 GHG emissions represent a change of 2.5% and 0.03% respectively from the previous reported values.

Waste

Total waste generated (t)	7,357
Total hazardous waste generated (t)	3,845
% hazardous waste diverted	59%



During 2023, Neo generated 7,357 metric tons of waste. Around half of this (51%) was recycled or otherwise diverted from disposal.

3,845 metric tons qualified as hazardous waste, or 52%, as per local regulatory frameworks. More than half of this hazardous waste was diverted from disposal, or otherwise recycled (2,259 metric tons, or 59%).

Neo also incorporates material recycling in several of its production processes to reduce waste production and promote sustainability through maximizing resource efficiency.

For example, our Magnequench division continued its practice to recover metal in scrap materials for re-use in rare earth magnetic materials. This included recovering scrap magnets from customers to be crushed and re-used in new products. And, as noted above, our Rare Metals division produces several vital rare metal products from processing industrial waste streams and end-of-life products.

Neo's facilities minimize waste production, both within their own operations and across the industry, by leveraging innovative solutions. Several of Neo's facilities have achieved notable success in collaborating with suppliers and customers to recycle and repurpose materials that would otherwise be discarded as waste. This approach not only helps to minimize waste but also promotes a sustainable and circular supply chain. Examples of innovative solutions and sustainable practices at Neo in 2023 include:

- Our Jiangyin, China facility reduced packaging wastes by 0.5 tons and a slag waste by 14.5 tons in 2023 through its Cleaner Production audit.
- Our Korat, Thailand facility continues its work with customers to reduce value chain waste and foster circular economy. In 2023, our Korat facility recycled 7.5 metric tonnes of scrap magnets from customers for re-melting into magnet alloy ingot. It also works with customers to re-use product packaging cans, in 2023 the impact of this initiative resulted in ~2.7 metric tonnes of packaging material re-use.

Vegetation Protection and Preservation

At Neo, we deeply value the protection and preservation of the environment, taking immense pride in the scenic green spaces at our facilities and in the surrounding areas. We recognize the importance of maintaining a harmonious balance between our operations and the ecosystems in which we operate, committing ourselves to responsible and sustainable practices.

Neo's facilities actively engage in various environmental initiatives, such as beautification projects that enhance the local landscape, community garbage cleanup events

to maintain the cleanliness and health of our surroundings, and tree planting and maintenance programs that contribute to the well-being of local ecosystems. These efforts not only demonstrate our dedication to environmental stewardship but also foster a strong sense of community involvement and responsibility.

At Neo, we believe that by embracing sustainable practices and nurturing our natural environment, we can help ensure a better future for both our business and the planet.

Preservation Initiatives

- In Chuzhou, China our team planted roses as symbol of spring and magnificence adjacent to the facility.
- In Korat, Thailand our team continued to plant and improve the extensive gardens surrounding the facility, this includes the blooming of orchids.





neo

SOCIAL
IMPACT

Get to Know Our Global Teams

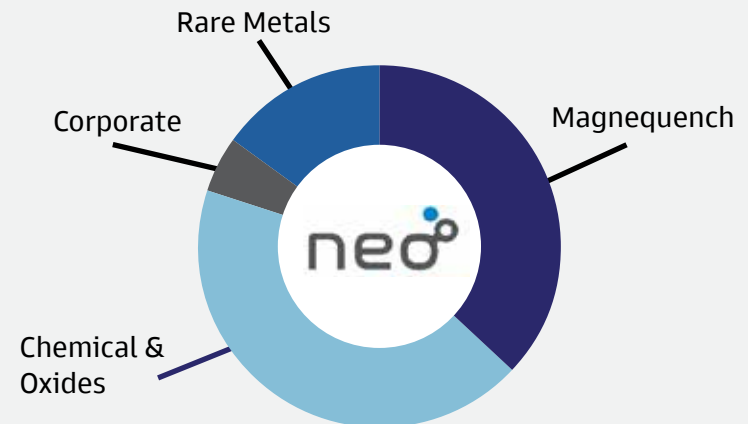
Diversified Excellence

Our global operations consist of employees from diverse backgrounds, encompassing a variety of languages, religions, cultures, and personal interests. This rich diversity within our workforce provides Neo with invaluable advantages, such as heightened creativity, innovation, and problem-solving capabilities, as well as the capacity to cater to a wider range of customers and communities. It also cultivates a more inclusive workplace, fostering a sense of belonging and respect for all employees.

Neo's commitment to doing the right thing and delivering high-quality products that address the world's challenges in materials technology and sustainable transition has made this diversity possible. This steadfast dedication has nurtured long-standing partnerships with numerous executive and operational leaders, spanning nearly three decades through Neo and its predecessor companies. These robust relationships, combined with our consistently low employee turnover rates, attest to the efficacy of our approach.

Global Headcount by Group

Rare Metal	Chemicals & Oxides	Magnequench	Corporate
281	815	716	100



Employees

Diversity, Equal Opportunity, and Non-Discrimination

- 1 out of 3 Neo employees are female
- 1 out of 6 Neo Management staff are female
- 9 out of 10 operating facilities are led by employees of the host country

Global Headcount by Group

Age	Number of Employees	% of Employees
<30	217	11.3%
30-50	1185	61.9%
>50	510	26.8%

Collective Bargaining

70 employees at the Sillamäe facilities are unionized employees. Neo does not discourage any of its employees at the remaining locations from forming labor associations.

Neo has supported and will continue to support its employees' right to freedom of association through its published Human Rights Policy and Code of Conduct and Business Ethics. By promoting a culture of inclusivity and respect for all employees, Neo aims to create a positive and fulfilling work environment that benefits both its employees and the company as a whole.

Rights of Indigenous Peoples

Neo's corporate team acknowledges the traditional territories of indigenous peoples in Canada, the United States, Greenland and all jurisdictions we operate in. This is a reminder to support indigenous rights, including their rights to self-determination, cultural preservation, and land stewardship.

Neo has identified zero (0) incidents of violations involving the rights of indigenous peoples during the reporting period.

Minimum Notice Periods regarding Operational Changes

Neo places a high value on ethical and lawful business practices, and this includes adhering to the labor laws and guidelines of each jurisdiction where the company operates.

This commitment ensures that the company's operations are carried out in a responsible and legal manner, and that its employees are treated fairly and equitably. To achieve this, Neo has implemented robust policies and procedures that are designed to comply with local labor laws and regulations.

Training

At Neo, we attach considerable importance to offering comprehensive training for our employees across diverse domains, encompassing health and safety, skill enhancement, career development, and ESG-related subjects. By allocating resources to proficient training programs, we ascertain that our employees possess the requisite knowledge and expertise to execute their tasks safely, efficiently, and in harmony with our ethical and environmental principles. Our training initiatives not only uphold our benchmarks for ethical conduct and social awareness but also foster a culture of sustainability and accountability throughout our organization. This empowers our employees to contribute meaningfully to our collective commitment to environmental stewardship and social responsibility.

Safety training programs are designed to identify and mitigate potential workplace hazards, educating employees on safe practices and procedures to prevent and address accidents. Skills development training initiatives enable our employees to expand their expertise and stay up-to-date with the latest technologies and best practices in their respective fields, resulting in improved job performance and satisfaction. Meanwhile, environmental training programs strive to raise awareness about the environmental impacts of our operations and products, teaching employees how to minimize waste, conserve resources, and champion sustainability.

Promotion and Career Development

At Neo, we recognize that our employees are our most valuable asset, and we are dedicated to supporting their growth and development. We prioritize promoting from within our organization, aiming to provide opportunities for our employees to advance their careers and realize their full potential. We invest in ongoing training and development programs to equip our employees with the skills and knowledge required for success, fostering a culture of continuous learning and improvement. In 2023, a total of 50 employees received internal promotions.

Average training hours per employee (hour)	25
Total estimated training cost (thousand \$USD)	\$401

Occupational Health and Safety

Our Health and Safety Vision

Our Occupational health and safety policy and standards are based on long-standing organizational values and practices that have directed our decision-making and planning for decades. At Neo, we believe that health and safety is just as important as any other measure of success. This belief is manifested in our continuous health and safety improvement mechanisms.

To prioritize providing a safe and healthy work environment for our employees and visitors, as well as ensuring that our activities do not negatively impact our neighbors offsite, we utilize certified management systems. These systems encompass risk assessments, hazard mitigation, well-defined goals and objectives, regular management review meetings, incident investigation, and

thorough compliance audits. We also take great care to communicate any potential hazards associated with our products to promote their safe use.

Occupational Health and Safety Management System

Neo Performance Materials promotes occupational health and safety management systems at all its facilities. Eighty-nine percent of Neo's manufacturing personnel operate in a facility that carries an external ISO 45001 – Occupational Health and Safety Management System certification. For over a decade, Neo management has been advocating this management approach to encourage robust performance and showcase our dedication by adhering to a globally accepted benchmark. Even the non-certified facilities have implemented most, if not all, of the ISO-45001 components.

These certifications as a crucial tool that promotes systematic risk management. They provide a comprehensive framework for management, control, evaluation,

and continuous improvement. This includes the conduct of risk assessments, review of relevant regulations, and establishment of annual goals and objectives, all of which are regularly reviewed and discussed in management meetings. At the corporate level, a similar system is in place in where HESS improvement goals and objectives are developed with input from site Managers, HESS Managers, the Executive Team, and the Board's HESS committee. The Executive Team and the Board monitor and evaluate progress on a quarterly basis.

Neo's HESS continuous improvement process includes a robust HESS audit system that uses site-specific documents known as System Status Reports. These reports

aim to identify crucial regulatory requirements, relevant corporate standards, and site-specific risk reduction measures and consolidate them into a single document. Corporate Health and Safety, in collaboration with Neo professionals and external HESS consultants, created these reports. While they serve as the foundation for Neo corporate audits, their purpose is to provide sites with a practical tool for monitoring their health and safety systems internally on an ongoing basis, rather than simply for periodic check-ups. The goal is to conduct a continuous evaluation of our HESS systems, making this document a valuable resource.

Facilities and Occupational Health and Safety Management System Adopted

Facility	Standard
Tianjin, China	ISO-45001 Occupational Health and Safety Management
Zibo, China	ISO-45001 Occupational Health and Safety Management
Jiangyin, China	ISO-45001 Occupational Health and Safety Management
Chuzhou, China	In process of on-boarding Neo's Standards
Korat, Thailand	ISO-45001 Occupational Health and Safety Management
Sillamäe, Estonia	ISO-45001 Occupational Health and Safety Management

Facility	Standard
Sagard, Germany	<25 people
Peterborough, Canada	Most ISO-45001 elements in place <25 people
Quapaw, Oklahoma	ISO-45001 elements in place Internal audit
Essex, UK	In process of on-boarding Neo's Standards

Occupational Health and Safety

Hazard Identification and Risk Assessment

At Neo, we place a high priority on health and safety in the workplace. Our HESS Standards cover the mitigation of risks that management believed needed to exceed local regulations. Examples of Neo standards include contractor safety, industrial hygiene, hot work, vacuum induction melting, hazardous energy lockout, hazard communication and incident investigation. We train our personnel on the "Hierarchy of Controls" to optimize risk reduction as part of the ISO-45001 process. Compliance with internal standards is part of our corporate HESS

Incident Investigation

Neo Performance Materials' HESS standard 6.1, titled Accident/Incident and Non-Conformity Investigations, defines the minimum requirements for company facilities. To comply with this standard, each site is required to have a written investigation procedure that encompasses a range of incidents such as near misses, employee and visitor accidents, process incidents, security incidents, and environmental incidents. Additionally, a root cause investigation methodology is mandatory.

To facilitate compliance, the company provides a four-hour interactive training course called "Causal Root Investigation" that emphasizes open communication. This training helps identify deficiencies in our management system that can be addressed to further mitigate risks. To build upon our rigorous investigation and reporting system, as well as to encourage and facilitate continuous improvement, the corporation establishes annual targets for each plant, mandating a minimum number of near-miss incidents to be identified and investigated. Our plants have achieved their annual targets consistently.

Occupational Health Services

Element 8.1.1 of Neo's internal Industrial Hygiene standard states, "A systematic exposure-hazard assessment will be conducted by a qualified professional." These assessments facilitate priority-based air sampling strategies, building upon our progress in ensuring a safe and healthy environment. Training on the appropriate sampling method is complete and approved analytical laboratories are in place. Whenever concerns arise, corrective actions are taken promptly, in line with our commitment to ensuring the well-being of our employees and the environment. Our sites are required to adhere to corporate standard 8.1.8, which requires the implementation of Engineering controls to manage exposures if elimination of risks is not feasible.

Occupational Health and Safety

OHS-Related Worker Participation, Consultation, and Communication

Neo places great importance on worker participation in health and safety conversations, recognizing the invaluable perspective of those who are most directly exposed to potential risks. Engaging employees in these discussions promotes a culture of safety, collaboration, and continuous improvement that benefits our entire organization.

We implement the guidelines outlined in Section 5.4 of the ISO-45001 Occupational Health and Safety Management System standard for the appropriate approach to worker consultation and participation. Our efforts in this regard are externally audited at facilities with ISO-45001 certifications.

In those few, smaller plants that are not externally audited, worker participation is promoted by Neo management.

Worker Training on OHS

Each site has defined health and safety training requirements. These requirements must consider local regulatory training requirements, ISO-45001 training needs, training required by corporate standards, and additional training the site deems necessary. Much of that training is classroom training or hands-on. The company is in the beginning phase of introducing customized, computer based, in four languages. An advantage of computer-based training is that it is available twenty-four hours per day and it can be customized to include local learning objectives.

Prevention and Mitigation of OHS Impacts Linked to Business Relationships

Neo uses the Globally Harmonized System (GHS) for conveying potential health and safety hazards associated with their products. This means products are shipped with safety data sheets and warning labels that meet the GHS standard. There are zero incidents of non-compliance concerning health and safety of products in 2023.

Worker Covered by OHS Management System

86 percent of Neo's manufacturing personnel operate in a plant that carries an external ISO 45001 – Occupational Health and Safety Management System certification.

Work-Related Ill Health

The number of Occupational illnesses reported in 2023, 2022 and 2021 was zero.

Work Related Injuries

	2021	2022	2023
Lost Time Incident Rate	0.16	0.22	0.28
Total Reportable Incident Rate	0.26	0.38	0.39
Fatality Rate Employees	0	0	0
Fatality Rate Contract Employees	0	0	0
Number of Transportation Incidents	0	0	0

Local Communities

Local Community Engagement

At Neo, engagement with local communities is encouraged and celebrated. We strongly believe that establishing a close connection between our organization and the regions where we operate is crucial for achieving long-term success.

Neo's business units engage with its diverse local communities through wide-ranging approaches in varied situations, and actively support the United Nation's Sustainable Development Goals.



Local Communities

Local Community Engagement: Estonia

In Sillamäe, Estonia our team donated just under €100,000 total in support of a local football club, ballet festival, jazz club and local film production organization.

Jõhvi Ballet Festival



Neo's Estonia team supported the Jõhvi Ballet Festival held at the Jõhvi Concert. The event aims to develop ballet education in Estonia, promote world-class dance art in Ida-Viru County and introduce dancers of Estonian origin who have gained recognition in Europe.

Viru Film Fund



Neo's Estonia team donated to the Viru Film Fund, an organization that aims to diversify entrepreneurship in Ida-Viru County, contribute to the production of professional audio-visual works, bring in investments, and promote the Ida-Viru region in Estonia and abroad.

Jazz Time X Festival



Neo's Estonia team supported the Jazz Time X Festival at Sillamäe Cultural Centre. The festival aims to give visitors a great opportunity to enjoy cool jazz, funk, pop and rock music.

Sillamäe FC NPM Silmet



Recognizing the importance of sports in promoting health, teamwork, and community spirit, we donated to the local football club Sillamäe FC NPM Silmet. This contribution helps enhance training facilities, provide equipment, and support youth programs, encouraging active lifestyles and sportsmanship among residents. The Estonian indoor football championship was won by Sillamäe FC NPM Silmet, who defeated Tallinn FC Bunker Partner 3:0 in the final series.



Local Communities

Local Community Engagement: Germany

Community Commitments in Sagard

Our team in Sagard, Germany, is committed to supporting local initiatives that enhance community well-being and sustainability.

We contributed to the local fire department, helping

them purchase essential equipment. This support enhances their ability to respond effectively to emergencies, ensuring the safety of the community.

We also sponsored the local soapbox derby, a popular

event that brings families and communities together. This sponsorship promotes community engagement, creativity, and teamwork among participants.



Local Communities

Local Community Engagement: China

In Tianjin, China our team donated supplies worth 19,500 RMB (\$2,750 USD) to the Jinguo Fule Nursing Home in Huiguokou Village, Meichang, Tianjin. This non-profit senior home, which accommodates 170 residents and includes facilities such as a gym and a chess and card entertainment room, received vital winter supplies through our contribution. The donation facilitated the purchase of 200 quilts, 130 mattresses, and 30 bed sheets, ensuring the residents are well-prepared for the colder months. Neo's Tianjin team personally selected, purchased, and delivered the supplies to the facility.



This donation underscores our commitment to enhancing the quality of life for the elderly in our communities and directly supports the United Nations Sustainable Development Goals: #3, Good Health and Well-being. By supporting the Jinguo Fule Nursing Home, we aim to provide comfort and care to its residents, reinforcing our ongoing dedication to social responsibility and community support.



In Jiangyin, China our team donated 6,000 RMB (~\$1,000 USD) to the City of Jiangyin's Cancer Rehabilitation Association. This contribution helps provide essential resources, support services, and rehabilitation programs for cancer patients and survivors, enhancing their quality of life and aiding in their recovery journey.



By contributing to the Cancer Rehabilitation Association, we aim to make a positive impact on the lives of those affected by cancer and demonstrate our ongoing commitment to community care and support.



Local Communities

Local Community Engagement: China

In Zibo, China our teams donate just under 100,000 RMB (~\$14,000 USD) total in support of local charities and causes. The team donated to Shandong Education Foundation, in support of education for Children; Shandong Disabled People's Welfare Foundation, in support of people with disabilities; Zibo Elderly Association, in support of elder citizens in the local community; Linzi Red Cross Elderly Sports Association, in support of promoting good health and well-being among senior citizens; and Linzi Volunteer Association, in support of the local community.

These donations reflect our commitment to caring for children and people with disabilities, improving the quality of life and health of the elderly population through sports and activities, and contributing to the development of local education, thereby fostering a more inclusive and supportive community for all.

The Shandong Disabled People's Welfare Foundation, which supports 5.7 million people with disabilities in the province, issued a recognition certificate for the contribution of Neo's Zibo team.



Local Communities

Take a Bite of Hunger Program

At Neo Singapore, our team implemented the “Take a Bite out of Hunger” program to address the growing issue of food insecurity in Singapore, particularly among the elderly and middle-income families impacted by rising living costs. With a budget allocation of \$27,000 (S\$36,272), the program provided monthly food packs to 56 families throughout 2024.

Each food pack, valued at S\$60, included essentials such as rice, canned food, noodles, milk, and a \$20 voucher for fresh produce. Partnering with the local charity “Food from the Heart,” Neo Singapore Office volunteers supported various activities like packing, stock-taking, and distribution, ensuring seamless delivery of the food packs under the Community Food Pack and School Goodie Bag programs.

The collaboration with “Food from the Heart” enhanced the program’s reach, benefiting over 12,000 families and 6,800 schoolchildren in Singapore. The charity’s extensive network and expertise in food distribution ensured that the program effectively addressed the nutritional needs of low-income families and vulnerable groups.

By providing weekly bread rations, monthly food packs, and access to a community shop where beneficiaries could select food items, the program not only alleviated hunger but also empowered individuals with choice and dignity. Through this initiative, Neo Singapore Office made a significant contribution towards ending hunger and ensuring food security for those in need, aligning with UN’s Sustainable Development Goal #2: Zero Hunger.



Local Communities

Korat Celebrates Doug McInnes' Life Through Local Community Engagement

Neo's Korat team tragically lost its Managing Director, Doug McInnes in 2023. In honor of his dedication to Neo and the Korat community, the Korat team donated 500,000 THB (~\$14,000 USD) to Nongrawiang school, located near their facility, to support building refurbishment and donated to computer and printers for two local schools valued at ~\$2,200 USD. This includes:

- Tungdindaeng Primary school (64 students with only 2 sets of computers), MQK donated 6 sets of used computers and 2 printers.
- Muangpabpla secondary school (368 students with 50 sets of computers), MQK donated 7 sets of computers and 3 printers.

These donations aim to enhance educational resources and learning environments, continuing Doug McInnes's legacy of community support and fostering a brighter future for local students.



Supporting Education

Neo's business units have established strong ties and partnerships with academic institutions in their respective localities. Our corporate office and Peterborough business sub-unit in Canada have partnered with the University of Toronto on leadership and ESG education initiatives.



In Estonia, our business sub-unit in Sillamäe has established partnerships with Tallinn University of Technology and the University of Tartu. Our ZAMR business sub-unit in Zibo, China is partnered with Qingdao University of Science and Technology, and our business sub-unit in Korat, Thailand has formed a partnership with Suranaree University of Technology. Our partnerships with academic institutions allow us to utilize their research capabilities while providing them with our industrial resources and experience.

Additionally, we offer internships and co-op opportunities to promising young students, thereby fostering collaboration, and contributing to the growth of the next generation of professionals in our organization and industry.



UNIVERSITY OF
TORONTO

Supply Chain Social and Human Rights Assessment

Supplier Assessment

Neo is committed to continually enhancing its environmental and social practices, and to achieve this objective, the company seeks to extend the scope of its evaluations to include upstream entities as part of its continuous improvement model. At Neo, we believe in transparency and make it a point to communicate our environmental and social requirements to both existing and potential suppliers.

Neo has a procurement policy that encompasses various environmental and social concerns, such as adhering to relevant environmental laws and regulations, refraining from collaborating with suppliers involved in human rights violations, establishing standards for contractors, and considering other social and environmental factors. Several of our major facilities have proactively enhanced their procurement standards by adopting policies that prioritize suppliers with ISO-14001 certifications.

Understanding the Entities Upstream of Neo

Sources of our Chemicals & Oxides (C&O) Input Material: The raw materials required for C&O are critical minerals subject to annual processing quotas in China, of approximately 1,500 tonnes (REO) at Neo's ZAMR facility and 1,100 tonnes (REO) at the Company's JAMR facility. Both facilities provide a degree of vertical integration, as they can purchase and separate specialty chemicals for their own internal use or to sell to third parties. Additionally, ZAMR and JAMR sometimes use RE concentrates from outside China, which enable them to increase production beyond what's possible through the allotted quota limits. The balance of the material inputs required by Neo are occasionally sourced from various alternative suppliers.

Sources of our Rare Metals (RM) Input Material: Neo's Rare Metals segment responsibly sources its materials from conflict-free locations in Africa, South America, and Asia. Its Silmet plant in Estonia has maintained a conflict-free certification from the Electronic Industry Citizenship Coalition (EICC) since 2014, when it was first certified for the 2013 period. This certification is highly valued by customers who consider it an important criterion in their sourcing decisions.

The certification is renewed annually, providing assurance that Neo's products do not contain "conflict minerals" sourced from the Democratic Republic of Congo or its neighboring countries.

Sources of our Magnequench (MQ) Input Material: Magnequench's Tianjin facility sources its critical neodymium and praseodymium raw materials primarily from Chinese processors, while its Thailand operation in Korat sources materials from Sillamäe and third-party suppliers outside of China. Neodymium oxide is the primary material obtained from Silmet, which requires conversion into its metal form before it can be used by Magnequench Korat.

To accomplish this, Magnequench outsources the conversion process to a related third party via a toll processing agreement with GQD Special Material (Thailand) Co. Ltd., a Thai joint venture in which Neo has a 20% stake and operates a facility in Rayong, Thailand. Much of the raw materials used in the production of Magnequench Powders at the Tianjin facility are stored on a consignment basis and purchased as consumed. Magnequench's leading position in the market for bonded and hot deformed NdFeB magnets is supported by several competitive advantages in its supply chain. These include long-standing relationships with key suppliers in China, as well as alternative sources of supply through internal procurement and suppliers outside of China.

Additionally, Magnequench also has the ability to source materials from Neo's C&O business unit. The consignment agreements at Tianjin allow for a highly efficient supply chain, and the company manages input cost volatility through pricing mechanisms that enable it to pass on costs to customers with short lead-lag. Magnequench's primary raw material input for its magnet business is Magnequench Powders.

Supply Chain Social and Human Rights Assessment

Negative Social Impacts in the Supply Chain and Actions

Neo Rare Metals at Silmet purchases beneficiated niobium and tantalum from RMAP reviewed and approved sources.

Neo implemented corporate-wide Procurement and Human Rights Policies in 2021. As of 2023, the company's plant-level procurement functions continue its work in integrating requirements for suppliers and vendors to uphold human rights standards throughout the value chain.



Customer Health and Safety

Commitment to Product Safety

Neo is deeply committed to ensuring product safety for our customers and takes regulations and communication of product hazards seriously. All products are evaluated for potential hazards and the necessity for warning labels and safety data sheets, in accordance with the UN's Globally Harmonized System of Classification and Labeling of Chemicals (GHS).

This international system is embedded in Neo's corporate audit protocols, ensuring a consistent, high standard of safety and communication across our range of products.

Data from these evaluations indicate that 43% of Neo products, by revenue, are classified as category 1 or 2 health or environmental hazardous substances. There were no incidents of non-compliance with product safety standards identified in 2023.





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**RESPECT
FOR
GORVERNANCE**

Corporate Governance

Neo's prides itself to its shareholders for its corporate governance policies and practices.

Neo's highest governance body is its Board of Directors. The term of office of each director expires at the annual meeting of shareholders. Neo's Board is currently comprised of seven directors:

Claire Kennedy (Chair)	
Hau Du	Dr. John McGarva
Gail Edwards	Eric Noyrez
Edgar Lee	Rahim Suleman

Independence

All of the directors are independent of management with one exception, Rahim Suleman, who is Neo's President and Chief Executive Officer. The Board, directly and through its committees, oversees management and is responsible for the stewardship of Neo, ensuring that long-term value is created for shareholders while considering the interests of the Neo's various stakeholders including shareholders, employees, clients, suppliers and the community.

Board Committees

The Board delegates a number of responsibilities to committees, which are listed in the following table.

Audit Committee	The Audit Committee is responsible for assisting in the Board's oversight of the reliability and integrity of the accounting principles and practices, financial statements and other financial reporting and disclosure practices followed by management of the Company. The Committee shall also have oversight responsibility for: (i) the qualifications, independence and performance of the independent auditors; (ii) the establishment by management of an adequate system of internal controls; (iii) the preparation by management of quarterly and annual financial statements; and (iv) the maintenance by management of practices and processes to ensure compliance with applicable laws.
Compensation and Human Resources Committee	The Compensation and Human Resources Committee is responsible for (i) discharging the Board's responsibilities relating to the compensation of the Company's executive officers, (ii) administering the Company's incentive compensation and stock plans, and (iii) assisting the Board with respect to management succession and development. The Committee shall review and make recommendations to the Board on an annual basis regarding (i) company-wide compensation programs and practices, (ii) all aspects of the remuneration of the Company's executive officers and (iii) equity-based plans and any material amendments thereto.
Corporate Governance & Nominating Committee	The Corporate Governance and Nominating Committee is responsible for assisting the Board: (i) in fulfilling its oversight responsibilities with respect to the corporate governance practices of the Company and; (ii) with identifying, recruiting and nominating individuals that are qualified to become Board members.
HESS Committee	The Health, Environment, Safety and Sustainability ("HESS") Committee for assisting the Board in fulfilling its oversight responsibilities relating to the Company's policies, standards, goals and objectives, and compliance systems regarding HESS matters. The Committee shall provide oversight on work relative to: (i) the protection of the health and safety of employees, contractors, customers, and the public; (ii) the protection of Company property; (iii) the protection of the environment and; (iv) the promotion of sustainable business practices.

Corporate Governance

Board and Executive Officer Diversity

Neo recognizes and embraces the benefits of having diversity on the Board and in its senior management. Presently, Neo has two female directors, representing (34%) of the directors independent of management of t Neo. Neo also recognizes that the Board and senior management appointments must be based on performance, ability, merit and potential. Therefore, Neo ensures a merit-based competitive process for appointments. Neo's commitment to diversity will include ensuring that diversity is fully considered by the Board in identifying, evaluating and recommending Board appointees/nominees. Accordingly, Neo has not adopted a diversity policy at this time. With respect to the Board composition, as appropriate, the Board will:

- assess the effectiveness of the Board appointment/nomination process at achieving Neo's diversity objectives; and
- consider and, if determined advisable, recommend for adoption, measurable objectives for achieving diversity on the Board.

At any given time, the Board may seek to adjust one or more objectives concerning diversity and measure progress accordingly.

ESG-linked Executive Compensation

In 2021, Neo's Compensation Committee introduced an ESG component within the incentive structure of executive compensation. This ensures a long-term compensation reward alignment of Neo's financial performance with its relentless pursuit of continuous improvement on reducing the environmental footprint of its operations and its becoming of a more engaged corporate citizen in the communities it operates. Since its introduction in 2021, ESG-linked executive compensation at Neo has catalyzed deeper conversations on developing a strategy to gradually converge to more climate-neutral operations in the long-term. In 2022, Neo, led by its executive management, began collaborating closely with environmental consultants to further develop the company's long-term climate impact reduction plans and opportunities.

Ethical Business Practices

Neo's Policy Commitments for responsible business conduct are embedded throughout all its commercial activities, operations, and relationships. When policies are in breach, there is either a process or someone responsible for remediation of negative impacts. Within the documentation of the corporate policies, there is also an indicated mechanism for employees to seek advice and raise concerns.

Responsible Procurement and Supply Chain Management

Neo adopted the OECD's Model Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas. For this reason, it is in the process of conducting a holistic adoption and application of the following standards:

- Supply Chain Policy Incorporated into Contracts
- Tantalum Ore Sourcing Standard
- Tin Sourcing Standard
- Cobalt Sourcing Standard
- Rare Earth Elements tracing compliance mechanisms: Strong Government Standards, Licensed Suppliers from the People's Republic of China, Certifications (e.g. RMA Standard, RMAP, ISO-14001, SA-8000, EcoVadis Surveys), and Third Party Audits

Human Rights Protection and Promotion

In 2021, Neo's team developed a distinct Human Rights Policy document, which the Board of Directors voted unanimously for the corporation to accept.

Neo fully supports the United Nations Universal Declaration of Human Rights and is committed to respecting all International Labour Organization (ILO) core human rights standards. Neo also endorses the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nation's Guiding Principles on business and human rights and the ILO Declaration on Multinational Enterprises.

Neo does not employ children, in compliance with Convention 138 of the ILO. With the only exception being summer internships and vocational training programs organized in cooperation with schools or competent authorities, Neo will apply ILO C138 Framework for Minimum Age.

In accordance with ILO Conventions 29 and 105, Neo will under no circumstances make use of forced or bonded labour. Neo believes in a world of eradicated Modern Slavery.

In accordance with ILO Conventions 87, 98 135 and Recommendation 143, Neo recognizes and respects the freedom of its employees to choose if they want to participate in the establishment or association of an employee organization of their own choosing, such as a labour union and collective bargaining units, without Neo's prior authorization.

In accordance with ILO Conventions 100 and 111, Neo is committed to an inclusive work culture and recognizes that all employees are to be respected for their individual abilities. Neo does not tolerate any form of harassment or discrimination on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion.

Ethical Business Practices

Communication of Critical Concerns to Highest Governance Body

Neo's Board of Directors – its highest governance body – receives regular information summarizing all critical concern reports and activity relating to it. Additionally, Neo's facilities have a provision for urgent communication with the board's HESS committee as specified in the HESS policy and standards document, enabling them to report recordable accidents within a 24-hour timeframe and emergency situations almost immediately.

Neo's Whistleblower Reporting and Non-Retaliation Policy: Neo's policy addresses our corporation-wide commitment to integrity and ethical behaviour by helping to foster and maintain an environment where employees and others can report concerns about wrongdoing or suspected wrongdoing without fear of retaliation, discrimination or harassment. The purpose of this policy is to report Good Faith concerns regarding the business practices of Neo. All employees are responsible for reporting wrongdoings or suspected wrongdoings, using the procedures in Neo's policy.

Reporting Mechanism for Employees: Employees are strongly encouraged to discuss any concerns first with their supervisors, managers or other senior management. Supervisors and managers are required to notify their supervisors if they receive a report of wrongdoing or suspected wrongdoing. Supervisors and managers will maintain confidentiality to the extent possible and treat the reporters with respect and escalate the reports in accordance with this policy and procedures. Alternatively, employees may contact the Chair of the Audit Committee, the Corporate Secretary, or Neo's legal department. Alternatively, Neo has established procedures by which employees may make a confidential report through a third-party company, NAVEX Global®.

Reporting for Third Parties: Neo has also established procedures by which persons other than employees may communicate confidentially a critical concern to the highest governing body. Reports or claims of financial wrongdoing are delivered to the Chair of the Audit Committee and the Corporate Secretary. All other reports of non-financial wrongdoing are delivered to the Corporate Secretary and a designated member of Neo's legal department. Reports to the third-party company, NAVEX Global®, can also be made on an anonymous basis. Concerned parties can also submit an online confidential concern or call a toll-free phone line that is posted on the following secure website: www.neo.ethicspoint.com. The phone line is available 24 hours a day, seven days a week, 365 days a year.

Ethical Business Practices

Investigation of Critical Concerns: Every financial report or non-financial report received will be promptly and thoroughly investigated under the direction of Neo's highest governing body – its Board of Directors - or committee of the Board, and/or the Corporate Secretary and/or Neo's legal department, depending on the nature of the report. The specific action taken in any case depends on the nature and gravity of the conduct or circumstances reported and the results of the investigation.

Information disclosed during the course of the investigation will, to the extent practical and appropriate, remain confidential, except as may be reasonably necessary under the circumstances to facilitate the investigation, take remedial action, or comply with applicable law. Internal resources (e.g., members of the NEO human resources or legal departments) as well as external resources (e.g., external legal counsel, accounting or consulting services, etc.) may be utilized to assist in the investigation as deemed appropriate.

Employees must cooperate fully with all investigations and comply promptly, completely and truthfully with all requests for information. No employee shall interfere in an investigation or alter or destroy documents or records related to an internal or external investigation.

Non-Retaliation: Neo strictly prohibits and does not tolerate retaliation against an employee or grievances for:

- any financial report or non-financial report made in good faith;
- providing information or causing information to be provided, directly or indirectly, in an investigation conducted by Neo or any federal, state or local regulatory agency or authority;
- reports concerning the violation of any applicable law, rules, or regulations, including those governing safety, health, discrimination and harassment; or
- participating in an investigation, hearing, court proceeding or other administrative inquiry in connection with a report of wrongdoing.

Neo's policy encourages the reporting of wrongdoing or suspected wrongdoing by Neo's employees and presumes that employees will act in good faith and will not make false accusations. Neo will not punish reporters for reports that cannot be substantiated, so long as the report was made in good faith.

Ethical Business Practices

Information Technology User Policy and Cyber-security

All employees with access to Neo's IT network infrastructure are trained on cybersecurity annually. Every new Neo employee has to read and sign for compliance to the corporate Information Technology User Policy

Anti-Workplace Harassment and Anti-Discrimination

Neo's Anti-Workplace Harassment Policy: Every Neo employee must abide by the anti-workplace harassment corporate guidance, as defined in the Anti-Workplace Harassment Policy document that is signed at commencement of employment. Neo is committed to maintaining a work environment free of harassment and has put in place this policy prohibiting harassment, which has been approved by the Board of Directors of the Company. There is zero-tolerance for harassment in the NEO workplace of any kind, by co-workers, supervisors, other employees, directors, customers, and vendors. The Company defines harassment as the engagement in unwelcome conduct (verbal, physical or visual) that unfairly criticizes or shows hostility or aversion toward an individual because of their race, color, religion, sex (including same sex), national or ethnic origin, age, pregnancy/marital status, disability, genetic information, or other characteristics protected by applicable laws.

Neo's Code of Business Conduct and Ethics Policy: Additionally, every Neo employee must abide by the anti-discrimination corporate guidance, as defined in the Neo Code of Business Conduct and Ethics Policy document that is signed at commencement of employment. The comfort and diversity of our employees is tremendous assets. We provide equal opportunity in all aspects of employment and will not tolerate discrimination or harassment of any kind. Derogatory comments based on racial or ethnic characteristics, unwelcome sexual advances and similar behaviour are prohibited. Neo does not tolerate any form of discriminatory harassment – whether physical or mental in nature.

Ethical Business Practices

Anti-Corruption and Anti-Bribery

Neo is dedicated to the dynamic, ethical and profitable expansion of its operations worldwide. We compete for all business opportunities vigorously, fairly, ethically and legally and will pursue and negotiate contracts in a fair and open manner. Regardless of any pressures exerted, the Company will conduct business using only legal and ethical means. Neo's operating facilities, subsidiaries, affiliates and joint ventures conduct every business transaction with integrity, regardless of differing local manners and traditions, and strive to comply with all regulations including, but not limited to:

- the laws and regulations of Canada, particularly the Corruption of Foreign Public Officials Act (CFPOA);
- the laws and regulations of the United States, particularly the Foreign Corrupt Practices Act (FCPA);
- the laws and regulations of the United Kingdom, particularly the U.K. Bribery Act (UKBA);
- the laws and regulations of other countries in which Neo conducts business;
- Neo's Code of Business Conduct and Ethics;
- Neo's policies and procedures.

Neo's Anti-Corruption and Anti-Bribery Data for 2023

Number of board members trained on anti-corruption	6-7
Number of executives trained on anti-corruption	6-6
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0
Total number and nature of confirmed incidents of corruption	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	0

Record Keeping

Every Neo employee has to abide by the record keeping guidance, as defined in the Neo Code of Business Conduct and Ethics Policy document that is signed at commencement of employment.

Preventing or Managing Conflicts of Interest

Every Neo employee has to abide by the conflict-of-interest guidance, as defined in the Neo Code of Business Conduct and Ethics Policy that is signed at commencement of employment.

Corporate vs. Personal Opportunities

Every Neo employee has to abide by the corporate opportunities guidance, as defined in the Neo Code of Business Conduct and Ethics Policy that is signed at commencement of employment. We do not personally take opportunities that are discovered through the use of Neo's property, information or position without the prior consent of our Board. Our directors, officers and employees are also prohibited from competing with Neo.

Competition and Fair Dealing

Every Neo employee has to abide by the competitive behaviour guidance, as defined in the Neo Code of Business Conduct and Ethics Policy that is signed at commencement of employment.

We compete fairly and honestly by developing leading products based on design and performance. We do not engage in unethical or illegal business practices such as stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing disclosure of this type of information by past or present employees of other companies.

Neo's Competition and Fair Dealing Data for 2023

Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0
Main outcomes of completed legal actions, including any decisions or judgements	* see Quarterly and Annual Financial Information Disclosures

Ethical Business Practices

Protection and Proper Use of Company Assets

Every Neo employee has to abide by the company assets use corporate guidance, as defined in the Neo Code of Business Conduct and Ethics Policy document that is signed at commencement of employment.

Theft, carelessness, and waste of NEO assets have a direct impact on our profitability and should be avoided. Any suspected incident of fraud or theft should be immediately reported to a supervisor or, if appropriate, a more senior manager for investigation. We carefully safeguard our confidential information. Unauthorized use or distribution of confidential information is prohibited and could also be illegal, resulting in civil or even criminal penalties.

Compliance with Laws and Regulations

Compliance with laws and regulations guides every decision we take at Neo. The strength of Neo's compliance record is at the core of its ability to expand operations or gain permits. Neo had no significant instances of non-compliance with laws and regulations in 2023. A total monetary fine of \$3,158 USD was incurred in the 2023 reporting period.

Monitoring the level of non-compliance within Neo helps indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. In some circumstances, noncompliance can lead to clean-up obligations or other costly environmental liabilities. Neo's legal team frequently assesses the risk of administrative or judicial sanctions for failure to comply with environmental laws and regulations.

The regulation monitored include both environmental (e.g. emissions, effluents, and waste, as well as material use, energy, water, and biodiversity) and other ones related to our products or our administration (e.g. Ontario Securities Commission). This includes binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation.

Stakeholder and Public Engagement

Approach to Stakeholder Engagement

Neo is committed to engaging meaningfully and communicating transparently with its external stakeholders. Our stakeholders include customers, shareholders, local communities, governments, suppliers, media, industry associations, and civil society. Each stakeholder relationship is managed by a dedicated Neo employee responsible for both maintaining the relationship and internally communicating any concerns or opportunities.

Our engagement methods encompass virtual and in-person meetings, surveys, focus groups, community event participation, written communications, industry consultations, and conference participation. This approach is guided by the Neo Code of Business Conduct and Ethics Policy, which all employees are trained on and have access to.

Ethical and Responsible Engagement with Government

Neo employees adhere to the government relations corporate guidance outlined in the Neo Code of Business Conduct and Ethics Policy, signed upon employment commencement. In compliance with the Corruption of Foreign Public Officials Act (Canada), the United States Foreign Corrupt Practices Act, and the Bribery Act (United Kingdom), Neo prohibits giving anything of value to foreign government officials or political candidates to gain or retain business. Gifts or favors to any government employee or official that would be illegal are also prohibited. Neo's legal department is available for guidance in this area.

In countries with less clear laws or customs, Neo's policy is to comply with local regulations. However, if a local law or custom contradicts the principles in the Code, employees are advised to seek guidance from a supervisor or Neo's legal department.

Active Corporate Citizenship in Public Policy Dialogues

Neo actively engages in lobbying within the European Union, focusing on establishing a resilient supply chain of rare earths and permanent magnets for the automotive, industrial pump, and wind turbine manufacturing sectors. Neo participated in industry consultations of the European Raw Materials Alliance (ERMA) and EIT Raw Materials, contributing to the Action Plan on Critical Raw Materials, the 2020 List of Critical Raw Materials, and the EU's foresight study. Neo has not made direct or in-kind political contributions to public authorities.

In 2023, within the European Raw Materials Alliance framework, Neo engaged in advocacy activities to inform the European Commission, the European Parliament, and the Government of Estonia about amendments to EU funding mechanisms and the EU Critical Raw Materials Act. These amendments aim to support the large-scale development of rare earth magnet manufacturing in Europe and bolster domestic supply chains of critical raw materials. Neo's advocacy activities are documented in the EU Transparency Registry.

Neo's Identification Number in the EU Lobbying Transparency Register is: 394416191986-16.

Neo is a proud member of Global ESG Organizations

United Nations Global Compact: In July of 2021, Neo's team was to become a participant of the UN Global Compact and publicly commit to the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. Neo implements these principles and increasingly makes them a part of all its business units' strategic plans, its culture and its day-to-day operations of Neo. Neo also engages in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Neo has made a clear statement of this commitment to Neo's stakeholders and the general public.

Neo's team recognizes that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes Neo's company efforts to implement the Ten Principles. Neo supports public accountability and transparency, and therefore commits to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by Neo's chief executive officer expressing continued support for the UN Global Compact and renewing Neo's ongoing commitment to the initiative and its principles. This is separate from Neo's initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that Neo has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).

- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Responsible Minerals Initiative: Consistent with its leadership-by-example industrial practices in the rare earth metals and material science industry over the last three decades, Neo has become a member of the Responsible Minerals Initiative (RMI).

Founded in 2008 by members of the Responsible Business Alliance and the Global e-Sustainability Initiative, the Responsible Minerals Initiative has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains. The RMI is one of the major consulted stakeholders for the continuous development and updating of the OECD's "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".

Neo is currently undergoing a robust disclosure process for one of its facilities. Once Neo's membership application was accepted, Neo's Working Group on Sustainability mobilized to identify action items for the advancement of ethical supply chain standards development.

Neo is a proud member of Global ESG Organizations

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European Raw Materials Alliance: In 2020, the EU launched its European Raw Materials Alliance (ERMA). It is aiming for strategic autonomy on critical raw materials. It is modelled on the European Battery Alliance and focuses on metals and rare earths which are used to build magnets for batteries and all kinds of electric and electronic devices.

Throughout 2021, Neo was one of the most active participants in ERMA's network. ERMA's network brings together a growing number of organizations from the public and private sectors covering the entire raw materials value chain. The alliance is initially focused on the most pressing needs, that is, increasing EU resilience in the supply

chains for rare earth magnets and motors, batteries, and fuel cells.

The alliance is an open and inclusive initiative and will involve all relevant stakeholders, including industrial actors along the value chain, Member States and regions, trade unions, civil society, research and technology organizations, investors, and NGOs.

Wind Europe: Neo Magnequench is a member of Wind Europe - the advocacy association of the wind industry, actively promoting wind energy across the European Union. Wind Europe actively coordinates international policy, communications, research and analysis.

We also provide various services to support members' requirements and needs in order to further their development, offering the best networking and learning opportunities in the sector. It analyses, formulates and establishes policy positions for the wind industry on key strategic sectoral issues, cooperating with industry and research institutions on a number of market development and technology research projects. Additionally, the lobbying activities undertaken by Wind Europe help create a suitable legal framework within which members can successfully develop their businesses.

As a member of Wind Europe, Neo contributes its technical expertise and market soundings on rare earth supply chains – a critical aspect of wind turbine manufacturing and end-of-life recycling. In October 2021, Neo's VP Technology presented on "Circular Rare Earth Supply Chain for Permanent Magnet Generators" at Wind Europe's End-of-Life Insights & Strategies Conference.

Neo is a proud member of Global ESG Organizations

Tantalum and Niobium International Study Center: Neo Rare Metals has been a long-time member of and an active participant in TIC's programming. The T.I.C. was established in response to concerns within the tantalum industry regarding the lack of useful information on tantalum source materials. The initial purpose of the T.I.C. was to spread information about tantalum and to promote the common interest and welfare of the producers, especially with public and private authorities, organizations and agencies. Since its foundation, the T.I.C. has grown to encompass niobium and all stages of the tantalum/niobium supply chains.

Rare Earth Industry Association: The Rare Earth Industry Association (REIA) is an international non-profit organization representing the global REE industry. Founded in June 2019, under the auspices of EIT Raw Materials Internationalization project GloREIA. REIA has active members worldwide representing all major countries. With such a global context, REIA is well placed to contribute to a better understanding of rare earth element (REE) value chain.

Canadian Critical Minerals & Materials Alliance: The Canadian Critical Minerals & Materials Alliance (C2M2A) is a non-profit, independent organization that aims to grow the Canadian economy through critical mineral supply chains while promoting innovation and entrepreneurship. C2M2A evolved from the Canadian Rare Earths Elements Network (CREEN), and was formally created in 2021, with Neo joining the organization in 2022. The organization provides research, information, advocacy, education, conferences, workshops, and articles to build awareness of the importance of critical material supply chains. C2M2A seeks to build alliances with downstream suppliers, international companies, trade officials, and others to contribute as agents of transformative change. The organization also aligns its efforts with the e-mobility, energy storage, and clean technologies sectors, while continuing its engagement in current and successor initiatives.



Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	Page #
GRI 1	GRI standard followed					This report uses the framework provided by GRI 1: Foundation 2021 reports in accordance with the GRI standards.	
GRI 2-1	Organization details					Information on organization details is outlined in section About Us.	4
GRI 2-2	Entities included in the organization's sustainability reporting					<p>Entities included in Neo's sustainability reporting include:</p> <ul style="list-style-type: none"> • Neo Performance Materials ULC • Neo Rare Metals (Oklahoma), LLC • Buss & Buss Spezialmetalle GmbH • NPM Silmet OU • Zibo Jiahua Advanced Materials Resources Co., Ltd. • Jiangyin Jiahua Advanced Material Resources Co., Ltd • Magnequench (Tianjin) Company Limited • Magnequench Magnetics (Chu Zhou) Co., Ltd. • Magnequench (Korat) Co., Ltd. • SG Technologies Group Ltd. 	
GRI 2-3	Reporting period, frequency and contact point					<p>Reporting period: 2023-01-01 – 2023-12-31</p> <p>Publication date: November 18, 2024</p> <p>Contact email: media@neomaterials.com</p>	
GRI 2-4	Restatements of information					Information on 2021 and 2022 Scope 1 & Scope 2 GHG emission data restatement is outlined in section Air Quality and Emissions.	26
GRI 2-5	External Assurance					<p>Executive team reviews report and data HESS committee is heavily involved in review and assurance of sustainability report.</p> <p>Internal ESG team reviews and audits ESG report. Report is not externally assured.</p>	

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 2-7	Employees					Information on employee is outlined in section Employees.		30-31
	Total number of employees	Person	1,844	1,757	1,912			
	Total number of male employees	Person	1,283	1,226	1,311			
	Total number of female employees	Person	561	531	601			
	Total number of employees (Canada)	Person	50	54	59			
	Total number of employees (USA)	Person	39	39	39			
	Total number of employees (Europe)	Person	11	8	31			
	Total number of employees (Estonia)	Person	413	427	400			
	Total number of employees (UK)	Person	-	-	176			
	Total number of employees (Japan)	Person	7	7	7			
	Total number of employees (South Korea)	Person	6	3	4			
	Total number of employees (China)	Person	1,139	1,041	1,033			
	Total number of employees (Thailand)	Person	141	132	131			
	Total number of employees (Singapore)	Person	38	45	32			
GRI 2-8	Workers who are not employees					Number of contractor employees are calculated by dividing total contractor work hours by standard annual work hours of a full-time employee (2080 hours).		
	Total number of contract employees	Person	46	40	144			
GRI 2-9	Governance structure and composition					The board of director structure is outlined in section Corporate Governance.		47
GRI 2-11	Chair of the highest governance body					The board of director structure is outlined in section Corporate Governance.		47
GRI 2-14	Role of the highest governance body in sustainability reporting					The company's Health, Environment, Safety, and Sustainability (HESS) Committee, which is composed of members of the Board of Directors, is responsible for overseeing the integration of sustainability principles into everyday business operations. Among their roles is the assessment of HESS targets and objectives set forth by the management, keeping track of progress towards these goals, and suggesting necessary adjustments. The Board members serving on this committee have thoroughly examined this report, and their feedback has been incorporated into this document. More information on the board's HESS Committee is outlined in section Corporate Governance.		47

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 2-16	Communication of critical concerns					Information on Neo's communication policies and mechanisms is outlined in section Stakeholder and Public Engagement.		55
GRI 2-17	Collective knowledge of the highest governance body					Information on advancing ESG knowledge of Neo's highest governance body outlined in section Sustainability Report Context and Methodology.		13
GRI 2-18	Evaluation of the performance of the highest governance body					Information Neo's various board committees are outlined in section Board Committee.		47
GRI 2-19	Remuneration policies					Information on Neo's ESG-linked executive compensation is outlined in section ESG-linked Executive Compensation.		48
GRI 2-22	Statement on sustainable development strategy					Statement on sustainable development by the Chief Executive Officer are included.		7
GRI 2-23	Policy commitments					Information on Neo's policy commitments for responsible business conduct and respect to human rights is outlined in the Ethical Business Practices section, and the following documents: Whistleblower Policy Code of Business Conduct and Ethics Anti-Corruption and Anti-Bribery Policy		89
GRI 2-24	Embedding policy commitments					Information on Neo's governance strategy on policy commitments is outlined in section Corporate Governance.		48
GRI 2-26	Mechanisms for seeking advice and raising concerns					Information on Neo's communication policies and mechanisms is outlined in section Communication of Critical Concerns to Highest Governance Body.		50
GRI 2-27	Compliance with laws and regulations					Information on compliance with laws and regulations is outlined in section Compliance with Laws and Regulations.		54
	Total number of significant instances of non-compliance with laws and regulations during the reporting period	Citation Count	0	0	0			
	Total monetary fines incurred in reporting period	\$USD	2,900	1,305	3,158			
GRI 2-28	Membership associations					Information on membership and associations are outlined in section Membership & Associations.	210a.1	58

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 2-29	Approach to stakeholder engagement					Neo's approach to stakeholder engagement is outlined in section Stakeholder and Public Engagement.		55
GRI 2-30	Collective bargaining agreements					Information on collective bargaining agreements is outlined in section Collective Bargaining.		31
	Total number (%) of employees covered by collective bargaining agreements	Person (%)	95 (5.2)	83 (4.7)	70 (3.7)			
GRI 3-1	Process to determine material topics					Process to determine material topics outlined in Materiality section		14
GRI 3-2	List of material topics					List of material topics		14
GRI 3-3	Management of material topics					Management of material topics outlined in materiality section		14

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 302-1	Energy consumption within the organization					Energy management and consumption outlined in energy management section SASB Summary: <ul style="list-style-type: none"> Total energy consumed: 1.07 million GJ Grid electricity: 31.80% Renewable: 22.92% Self generated energy: 0.265% 	130a.1	21
	Total energy consumption	Million GJ	1.2	1.05	1.07			
	Gas, Diesel, LPG consumption	GJ	3,382	3,469	3,256			
	Natural Gas	GJ	252,433	183,266	198,960			
	Total Non-renewable	GJ	965,651	796,477	823,843			
	Total Renewable	GJ	233,365	256,596	244,988			
	Internal Electricity	GJ	-	1,484	2,831			
	Grid Electricity	GJ	370,093	341,455	339,869			
	Steam / Other Heating	GJ	571,913	522,814	523,431			
	Methanol	GJ	626	585	484			
	2023 Energy Consumption by Type (Unit: GJ)							
	Energy Type				GJ			
	Gasoline - for boiler, power generator, production device, oven etc.				0			
	Gasoline - for company owned vehicle(s)				1,270			
	Diesel - for boiler, power generator, production device, oven etc.				1			
	Diesel - for company owned vehicle(s)				1,692			
	Liquefied petroleum gas (LPG) - for boiler, power generator, production device, oven etc.				273			
	Liquefied petroleum gas (LPG) - for company owned vehicle				20			
	Natural Gas - for boiler, power generator, production device, oven etc.				198,960			
	Electricity - internal solar panel generation				2,831			
Electricity - purchase from external power plant/grid				339,869				
Heating - purchase from external				26,120				
Steam - purchase from external				497,311				
Methanol based fuel, for cooking				484				
GRI 303-1	Interactions with water as a shared resource					Neo's strategy to protecting water resources and interacting with water as a shared resource are outlined in Water and Effluents section.		24
GRI 303-2	Management of water discharge-related impacts					Neo's management of water discharge-related impacts outlined in Water and Effluents.		24

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 302-1	Water withdrawal					<p>Neo's facilities located in high water stress regions include Sillamäe, Estonia; Sagard, Germany; Essex, United Kingdom, Tianjin, China; and Zibo City, China.</p> <p>Water withdrawal information is outlined in section Water and Effluents</p> <p>SASB Summary:</p> <ul style="list-style-type: none"> Total water withdrawn: 2,386 ML. Percentage of water withdrawn from non-freshwater sources: 55%. Total water consumption: 124 ML. Water withdrawn in High or extremely high stress regions as a percentage of total water withdrawn: 90%. Water consumed in High or Extremely High Stress regions as a percentage of total water consumed: 80%. Number of incidents of noncompliance associated with water quality permits, standards, and regulations: 0. Neo's most significant water management risks are outlined in section: Water and Effluents 	140a.1 140a.2 140a.3	24
	*ML (megaliter) = 1,000 m3							
	Total water withdrawal	ML	2,428	2,325	2,386			
	Total surface water withdrawal	ML	310	362	467			
	Total groundwater withdrawal	ML	274	247	245			
	Total seawater withdrawal	ML	1,532	1,377	1,230			
	Total produced water	ML	0	0	0			
	Total third-party water	ML	313	338	445			
	Water withdrawal from water stress regions							
	Total water withdrawal	ML	2,229	2,099	2,156			
	Total surface water withdrawal	ML	310	362	467			
	Total groundwater withdrawal	ML	255	239	227			
	Total seawater withdrawal	ML	1,532	1,377	1,230			
	Total produced water	ML	0	0	0			
	Total third-party water	ML	132	120	232			
Freshwater withdrawal								
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML	896	948	1,073				
Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML	1,532	1,377	1,313				
GRI 303-4	Water discharge					Water discharge information is outlined in section Water and Effluents.		24
	Total water discharge	ML	2,254	2,199	2,265			
	Total water discharge to surface water	ML	391	436	0			
	Total water discharge to groundwater	ML	0	0	0			
	Total water discharge to seawater	ML	1,684	1,628	1,771			
	Total water discharge to third party	ML	156	135	494			
	Number of incidents of non-compliance with water discharge	ML	0	0	0			
GRI 303-5	Water consumption					Water consumption information is outlined in section Water and Effluents.		24
	Total water consumption from all areas	ML	267	189	121			
	Total water consumption in water stress regions	ML	264	167	100			

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 305-1	Direct (Scope 1) GHG emissions					Total Scope 1 GHG emissions include CO ₂ , CH ₄ , N ₂ O, and HFCs. 2021 and 2022 Scope 1 GHG was revised. Further explanations and information on Scope 1 emissions is outlined in section Air Quality and Emissions. SASB Summary: <ul style="list-style-type: none"> Covered under emissions-limiting regulations: 0% Neo is currently developing its long-term and short-term strategy to manage scope 1&2 emissions. 	110a.1 110a.2	26
	Total Scope 1 GHG emissions	mT CO _{2eq}	20,311	14,751	17,149			
	Base year Scope 1 emissions	mT CO _{2eq}	20,311					
	GWP used	-	310	362	467			
GRI 305-2	Energy indirect (Scope 2) GHG emissions					Total Scope 2 GHG emissions include CO ₂ , CH ₄ , and N ₂ O. 2021 Scope 2 GHG was revised. Further explanations and information on Scope 2 emissions is outlined in section Air Quality and Emissions		
	Total Scope 2 GHG emissions	mT CO _{2eq}	117,275	106,171	107,880			
	Base year Scope 2 emissions	mT CO _{2eq}	117,275 (2021)					
	GWP used	-	GHG Protocol					
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions					Other HAPs include ammonium hydroxide, HCl, NH ₃ , CO, nitric acid, carbon monoxide, fluorine, and gaseous fluorides converted to fluorine. Further information on NOx, SOx, and other significant air emissions is outlined in section Air Quality and Emissions	120a.1	26
	Total NOx emissions	t	28.7	28.42	24.77			
	Total SOx emissions	t	4.5	2.29	4.59			
	Total Volatile organic compounds emissions	t	6.1	5.82	2.25			
	Total Particulate Matter (PM10) emissions	t	8.29	4.25	20.98			
Total other HAPs emissions	t	112	72.31	51.46				
GRI 306-2	Management of significant waste related impacts Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.					To minimize waste production, Neo-MQK continues to work with customers to reduce value chain waste and foster circular economy. MQK recycled 7.5 metric tonnes of scrap magnets from customers for re-melting into magnet alloy ingot. MQK also works with customers to re-use product packaging cans, in 2023 the impact of this initiative resulted in ~2.7 metric tonnes of packaging material re-use.		
GRI 306-3	Waste generated					Waste generated and related information is outlined in section Waste SASB summary: <ul style="list-style-type: none"> Hazardous waste generated: 3,845 metric tons 	150a.1	27
	Total waste generated	t	9,705	9,222	7,357			
	Total amount of hazardous waste generated	t	5,186	4,965	3,845			
	Total non-hazardous waste generated	t	4,519	4,257	3,512			

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 306-4	Waste diverted from disposal					Waste disposal and related information is outlined in section Waste. Waste neither disposed nor diverted from disposal are temporarily stored on-site. SASB Summary: • Hazardous waste recycled or diverted: 59%	150a.1	27
	Total waste diverted from disposal	t	5,864	4,404	3,740			
	Total hazardous waste diverted from disposal	t	5,864	2,705	2,259			
	Hazardous waste diverted onsite	t	23	13	22			
	Hazardous waste diverted offsite	t	2,846	2,692	2,237			
	Total non-hazardous waste diverted	t	2,996	1,699	1,481			
	Non-hazardous waste diverted onsite	t	156	203	157			
	Non-hazardous waste diverted offsite	t	2,840	1,495	1,324			
	Total waste disposed	t	3,610	4,567	3,617			
	Total hazardous waste disposed	t	2,087	1,697	1,586			
Total non-hazardous waste disposed	t	1,523	2,869	2,031				
GRI 401-1	New employee hires and employee turnover							
	Number of new employee hires	Person	157	178	324			
	Number of new employee hires (male)	Person	-	141	215			
	Number of new employee hires (female)	Person	-	37	109			
	Number of new employee hires (North America)	Person	7	19	9			
	Number of new employee hires (Europe)	Person	64	83	96			
Number of new employee hires (Asia)	Person	86	76	219				
GRI 403-1	Occupation health and safety management system					Information on occupation health and safety management system is outlined in section Occupational Health and Safety Management System.		33
GRI 403-2	Hazard identification, risk assessment, and incident investigation					Information on hazard identification, risk assessment, and incident investigation is outlined in section Hazard Identification and Risk Assessment.		34
GRI 403-3	Occupational health services					Information on Occupational health services is outlined in section Occupational Health Services.		35
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety					Information on worker participation, consultation and communication on occupational health and safety is outlined in section OHS-Related Worker Participation, Consultation, and Communication.		33

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 403-5	Worker training on occupational health and safety					Information on worker training on occupational health and safety is outlined in section Worker Training on OHS.		35
GRI 403-8	Workers covered by an occupational health and safety management system					Information on workers covered by an occupational health and safety management is system outlined in section Worker Covered by OHS Management System.		33
	Number of employees located at production facilities covered by an OHS system	Person	-	1,475	1,336			
	% of employees located at production facilities covered by an OHS system	%	-	89	74			
GRI 403-9	Work-related injuries					Information on work related injuries is outlined in section Work Related Injuries. LTIR and TRIR are calculated based on 200,000 hours worked. SASB summary: <ul style="list-style-type: none"> Total recordable incident rate: 0.39 Total fatality rate for direct employees: 0 Total fatality rate for contract employees: 0 	320a.1	35
	Lost time Incident Rate	-	0.16	0.22	0.28			
	Total Reportable Incident Rate	-	0.26	0.38	0.39			
	Employees							
	Number and (rate) of fatalities as a result of work-related injury	- (-)	0 (0)	0 (0)	0 (0)			
	Number and (rate) of high-consequence work-related injuries (excluding fatalities)	- (-)	0 (0)	0 (0)	0 (0)			
	Number and of recordable work-related injuries	-	5	7	7			
	Number of hours worked	Million hrs	3.8	3.6	3.6			
	Contract Employees							
	Number and (rate) of fatalities as a result of work-related injury	- (-)	0 (0)	0 (0)	0 (0)			
	Number and (rate) of high-consequence work-related injuries (excluding fatalities)	- (-)	0 (0)	0 (0)	0 (0)			
	Number and (rate) of recordable work-related injuries	- (-)	0 (0)	0 (0)	0 (0)			
Number of hours worked	Million hrs	0.1	0.083	0.3				
GRI 403-10	Work-related ill health					Information on work-related ill health outlined in section Work-Related Ill Health. SASB summary: <ul style="list-style-type: none"> Occupational illness at Neo was 0 in the trailing three years (2021-2023) 	320a.2	35
	Work-related ill health	Case Count	0	0	0			

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
GRI 404-1	Average hours of training per year per employee					Information on average hours of training per year per employee is outlined in section Training.		32
	Average training hours per employee	Hour	-	15	25			
	Total estimated training cost	K \$USD	-	126	401			
GRI 405-1	Diversity of governance bodies and employees					Information on diversity of governance bodies and employees is outlined in sections Employees and Corporate Governance.		31, 48
	Employees							
	Total number of employees	Person	1,844	1,756	1,912			
	Total number of male employees	Person	1,283	1,226	1,311			
	Total number of female employees	Person	561	531	601			
	Total number of employees (age < 30)	Person	195	182	217			
	Total number of employees (age 30-50)	Person	1,177	1,107	1,185			
	Total number of employees (age >50)	Person	472	468	510			
	Board of directors							
	Total number of board of directors	Person	7	6	6			
Number of board members (male)	Person	5	4	4				
Number of board member (female)	Person	2	2	2				
GRI 406-1	Incidents of discrimination and corrective actions taken					Information on incidents of discrimination and corrective actions taken are outlined in section Anti-Workplace Harassment and Anti-Discrimination.		52
	Total number of incidents of discrimination	Case Count	0	0	0			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor					Neo's stance on human rights protection is outlined in section Supply Chain Social and Human Rights Assessment.		44
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor					Neo's stance on human rights protection is outlined in section Supply Chain Social and Human Rights Assessment.		44
GRI 411-1	Incidents of violations involving indigenous peoples					Information on incidents of violations involving indigenous peoples is outlined in section Rights of Indigenous Peoples.		31
	Total number of incidents of discrimination	Case Count	0	0	0			
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services					Information on health and safety of products and services is outlined in section Commitment to Product Safety.		45
	Total number of incidents of non-compliance concerning the health and safety impacts of products and services	Case Count	0	0	0			

Our ESG Data

GRI Code	Description/Topics	Unit	2021	2022	2023	Comments / Response / Reference	SASB	Page #
Omissions	<p>The omission of certain GRI disclosures in this report is primarily due to the unavailability or incompleteness of the required information. We recognize the importance of transparent and accurate sustainability reporting and are committed to enhancing our disclosure practices. Moving forward, we aim to progressively improve the scope and quality of our sustainability reporting by incorporating more GRI disclosures in subsequent reporting periods. This will enable stakeholders to better assess our sustainability performance and align with global best practices. Disclosure of GRI disclosures based on GRI 1: Foundation 2021 which are omitted from this report due to unavailable/incomplete information include: GRI 2-(6,10,12,13,15,20,21,25), GRI-30(1,4,8), GRI 40(3,7,10,12-15,17,18).</p>							
Additional SASB	<p>Product Design for Use-phase Efficiency</p> <ul style="list-style-type: none"> 410a.1: At least 50% of Neo's revenue comes from products designed for use-phase resource efficiency. <p>Safety & Environmental Stewardship of Chemicals</p> <ul style="list-style-type: none"> 410b.1: 100% of products have undergone a hazard assessment; all formulations have undergone external assessment by product safety specialists in the production of SDSs. 410b.2: Neo follows all regulatory standards in each operating jurisdiction and that of its customers, using them as the basis of information for our ongoing strategy to manage chemicals of concerns. In collaboration with our customers, Neo's R&D teams take into consideration human and environmental impacts when developing alternatives (page 54). <p>Genetically Modified Organisms</p> <ul style="list-style-type: none"> 410c.1: Revenue originating from products that contain GMOs: 0% <p>Management of Legal & Regulatory Environment</p> <ul style="list-style-type: none"> 530a.1: Neo's corporate positions related to government regulations and policy proposals that address environmental and social factors affecting our industry are guided by our Code of Conduct and Business Ethics that all management staff members review and acknowledge it annually (page 54). <p>Operational Safety, Emergency Preparedness & Response</p> <ul style="list-style-type: none"> 540a.1: <ul style="list-style-type: none"> - Process safety incidents count: 0 - Process safety total incident rate: 0 - Process safety incident severity rate: 0 540a.2: Transport incidents: 0 							

The logo for Neo Performance Materials features the word "neo" in a lowercase, sans-serif font. The letter "o" is stylized with a white dot above it and a white ring to its right, resembling a molecular structure or a stylized "o".

neo

Performance Materials

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