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JL MAG RARE-EARTH CO., LTD.
江西金力永磁科技股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 06680)

VOLUNTARY ANNOUNCEMENT
OBTAINING PAS 2060 VERIFICATION STATEMENT OF ACHIEVEMENT
OF CARBON NEUTRALITY

This announcement is made by JL MAG RARE-EARTH Co., Ltd. (the “**Company**”) on a voluntary basis.

The Company recently obtained PAS 2060 verification statement of achievement of carbon neutrality (the “**Statement**”) from SGS, an internationally recognized testing, inspection and certification organization. The Statement, being the world’s first statement in the rare earth permanent magnet industry awarded by SGS, represents the completion of the goal of construction of a zero-carbon park by the Company’s headquarter park and factories located in Ganzhou, Jiangxi, and is an important symbol of its achievement of the goal of carbon neutrality.

I. DETAILS OF THE STATEMENT

1. Greenhouse Gas Verification Statement

- (1) Statement number: CN22/00001330
- (2) Verification basis and standard: The greenhouse gas statement provided by the Company in the form of greenhouse gas report, covering the direct and indirect greenhouse gas emissions from January 1, 2021 to December 31, 2021, was verified according to ISO 14064-3:2019.
- (3) Verification opinion conclusion:

Unmodified. The greenhouse gas statement submitted by the Company is prepared in accordance with ISO 14064-1:2018 on greenhouse gas qualification and reporting, is a fair representation materially, the greenhouse gas data and information in statement are explicit and supported by adequacy and appropriate evidence.

2. Verification Statement of Achievement of Carbon Neutrality

- (1) Statement number: CN22/00001408
- (2) Verification basis and standard: ISO 14064-3:2019; Statement basis and standard: PAS 2060:2014
- (3) Verification opinion conclusion:

The declaration of achievement of carbon neutrality submitted by the Company is in accordance with PAS 2060:2014, which is fair in terms of materiality. The greenhouse gas data and implementation information of the carbon footprint management plan in the declaration are indeed reflected and supported by sufficient and appropriate evidence. Based on the risk assessment method, SGS issued an unmodified opinion on the achievement of carbon neutralization statement of the Company.

II. INFLUENCE ON THE COMPANY

SGS Group or Societe Generale de Surveillance S.A., headquartered in Geneva, Switzerland and founded in 1878, is the world's leading and innovating inspection, verification, testing and certification company. It is also recognized as the global benchmark for quality and integrity.

PAS 2060 is an internationally recognized carbon neutrality standard, which requires enterprises to make efforts to reduce emissions and achieve low-carbon production model on the basis of quantifying greenhouse gas emissions. PAS 2060 also encourages enterprises to achieve carbon neutrality by way of voluntary compensation for the carbon emissions which cannot be reduced. Obtaining PAS 2060 verification statement of achievement of carbon neutrality indicates that the efforts of the Company in carbon neutrality have been highly recognized by international authoritative organizations.

With the mission of "Better Life with Rare Earths", the Company is committed to protecting the environment and promoting the performance of corporate social responsibilities. By providing rare earth permanent magnet materials to many leading enterprises, the Company has jointly supported China in achieving the carbon neutrality goal. In 2021, the Company reduced carbon emissions by approximately 34.44 million tons in three key downstream areas, namely new energy vehicles, energy-saving variable-frequency air conditioners and wind power generation (for details, see the Environmental, Social and Governance Report 2021 of the Company). Meanwhile, the Company reduces its carbon emissions through various energy-saving methods such as technological innovation, lean production, energy saving in management and process, efficiency improvement, equipment upgrading and transition to

green power. Looking forward to the future, the Company has set a clear emission reduction target. It is expected that through greater use of green energy and strengthening of recycling of raw materials, the unit emissions or energy consumption will be reduced by 5% to 10% every year on average until the long-term goal of carbon neutrality is achieved, thus helping China and the rest of the world to move towards carbon neutrality.

By order of the Board
JL MAG RARE-EARTH CO., LTD.
Cai Baogui
Chairman

Jiangxi, June 29, 2022

As of the date of this announcement, the Board comprises Mr. Cai Baogui and Mr. Lyu Feng as executive Directors; Mr. Hu Zhibin, Mr. Li Xinnong and Mr. Li Fei as non-executive Directors; and Mr. You Jianxin, Mr. Xu Feng and Mr. Yuan Taifang as independent non-executive Directors.