

# Neo Publishes Inaugural Sustainability Report on Environmental, Social & Governance Performance and Initiatives

written by Raj Shah | May 24, 2022

May 24, 2022 ([Source](#)) – Neo Performance Materials Inc. (“**Neo**”, the “**Company**”) (TSX: [NEO](#)) is pleased to announce the publication of its inaugural [Sustainability Report](#) which provides information to shareholders, customers, industry partners, employees, and stakeholders on the Company’s environmental, social, and governance (“**ESG**”) performance in 2021. The Report also launches a formal reporting process that helps to explain and document Neo’s ongoing efforts to produce the advanced materials that help the world transition to a more sustainable and less carbon-centric future.



*A photovoltaic system that generates renewable power at Neo Magnequench's Korat facility, which earned a Gold Medal for sustainability from EcoVadis. The facility's solar power generation helps to avoid the emissions of 78 tonnes of CO<sub>2</sub> per year.*

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Neo's Sustainability Report 2021 can be viewed on Neo's website at <https://www.neomaterials.com/investors/#SustainabilityReport>. A downloadable version of the report [is available here](#).

"Neo has worked hard over the past several decades to lead our industry in environmentally responsible production practices, and we are proud of the fact that the materials we produce are critical to the world's transition to greener and smarter technologies," said Constantine Karayannopoulos, Neo's CEO. "It is my hope that this Sustainability Report helps to document the

fact that Neo 'walks the talk' of ESG and improved sustainability, and that we are firmly committed to helping enable the world's transition to a less-carbon intensive economy."

Neo worked with several expert groups in developing its report, which followed several primary reporting standards, including those developed by the Sustainability Accounting Standards Board, the United Nations Global Compact, and the United Nations' Sustainable Development Goals. Neo is a signatory of the UN Global Compact and has committed to furthering the Compact's 10 Principles, which are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. Neo also is an active member in the Responsible Minerals Initiative, the European Raw Materials Alliance, Wind Europe, the Tantalum and Niobium International Study Center, and the Rare Earth Industry Association.

Neo's commitment to sustainable practices is illustrated by the fact that all five of Neo's flagship rare earth facilities, representing more than 90% of revenue generated by the Company, are now operating in the EcoVadis tracking and reporting system. Neo's rare earth and rare metal processing facility in Sillamäe, Estonia – the only operating commercial rare earth separations and rare metal processing plant in the European Union – was awarded a Gold Medal by EcoVadis for its 2021 sustainability programs. This places the plant in the top five percent of all facilities around the world reporting to EcoVadis for its sustainability programs.

Neo Magnequench's rare earth magnetic materials manufacturing facility in Korat, Thailand was also awarded Gold Medal by

EcoVadis for its 2021 sustainability performance, placing that plant in the top five percent of all facilities around the world reporting to EcoVadis.

A second Neo Magnequench's facility, located in Tianjin, China, achieved a Silver Medal from EcoVadis for its sustainability performance in 2021, placing it in the top 25% of all EcoVadis respondents.

In addition to formalizing a more intensive ESG progress reporting structure within the Company, Neo undertook a number of actions and initiatives in 2021 to advance the Company's ESG efforts and its contribution to global sustainability, including these:

- Configuration of a US-to-EU supply chain of rare earths, making use of by-product economics and reducing upstream waste;
- Redirection of naturally occurring radioactive material from legacy storage to an industrial partner that uses it as feedstock for the production of carbon-free nuclear power;
- Relocation of an operating facility in China to help reduce the concentration of heavy industry in a high-stress water region and to reduce potential risk to groundwater sources;
- Development of a first-in-China neutralization treatment of slag that allows recycling of government qualified materials suitable for alternative applications;
- Operation of a recycling program for magnet scrap from the Daido/Honda EV traction motor program and the introduction

of magnets made from recycled rare earths for one of the world's largest global smartphone and electronics producers; and

- Consultation participation in and sharing data and industry insights for public policymaking within the European Raw Materials Alliance, Wind Europe, and other stakeholder groups.

The report also highlights the many examples of how Neo's rare earth and rare metal-based products are critical to the performance of many everyday and emerging products and technologies that advance sustainability and environmental protection. These include the following:

- Empowering vehicle electrification;
- Reducing pollution from internal combustion engines;
- Protection of freshwater resources;
- Reducing air emissions from commercial aviation;
- Empowering advanced healthcare technologies;
- Converting industrial waste streams into useful products; and
- Unlocking higher energy savings in industrial and residential pumps and ultra-high-speed motors.

Neo intends to annually publish a Sustainability Report that reports on progress made toward improving the Company's environmental, social, and governance performance.

## **About Neo Performance Materials**

Neo manufactures the building blocks of many modern technologies that enhance efficiency and sustainability. Neo's advanced industrial materials – magnetic powders and magnets, specialty chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies. Neo's products help to deliver the technologies of tomorrow to consumers today. The business of Neo is organized along three segments: Magnequench, Chemicals & Oxides and Rare Metals. Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, US; Singapore; and Beijing, China. Neo operates globally with sales, research and development, and production facilities and offices across 10 countries: Japan, China, Thailand, Estonia, Singapore, Germany, United Kingdom, Canada, United States, and South Korea. For more information, please visit [www.neomaterials.com](http://www.neomaterials.com).

### **Cautionary Statements Regarding Forward-Looking Statements**

This news release contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to future events or future performance of Neo. All statements in this release, other than statements of historical facts, with respect to Neo's objectives and goals, as well as statements with respect to its beliefs, plans, objectives, expectations, anticipations, estimates, and intentions, are forward-looking information. Specific forward-looking statements in this discussion include, but are not limited to, the following: expectations regarding certain of Neo's future results and information, including, among other things, revenue, expenses, sales growth, capital expenditures, and operations; statements with respect to current and future market trends that may directly or indirectly impact sales and revenue of Neo; expected use of cash balances; continuation of prudent management of working capital; source of funds for ongoing business requirements and capital investments;

expectations regarding sufficiency of the allowance for uncollectible accounts and inventory provisions; analysis regarding sensitivity of the business to changes in exchange rates; impact of recently adopted accounting pronouncements; risk factors relating to intellectual property protection and intellectual property litigation; risk factors relating to national or international economies (including the impact of COVID-19), and other risks present in the jurisdictions in which Neo, its customers, its suppliers, and/or its logistics partners operate, and; expectations concerning any remediation efforts to Neo's design of its internal controls over financial reporting and disclosure controls and procedures. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Neo believes the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this discussion and analysis should not be unduly relied upon. For more information on Neo, investors should review Neo's continuous disclosure filings that are available under Neo's profile at [www.sedar.com](http://www.sedar.com).

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