JL MAG RARE-EARTH CO., LTD.

Water Resources Policy

I. Introduction

In view of the preciousness and scarcity of water resources, as well as the potential water consumption and pollution risks associated with rare earth permanent magnet manufacturing, JL MAG RARE EARTH CO., LTD. (hereinafter referred to as "the Company" or "we") has established this *Water Resources Policy*. The purpose of this policy is to guide us in the rational, efficient, and sustainable use of water resources, protect the aquatic environment, and promote the Company's green development and harmonious coexistence with society.

II. Policy Objectives

Water Conservation and Emission Reduction:
Through technological improvements and management optimization, reduce water consumption in the production process, lower wastewater discharge, and reduce pollutant concentrations to achieve water conservation and emission reduction targets.

Recycling:
Increase the reuse rate of treated wastewater to achieve the recycling of water resources and reduce dependence on fresh water resources.

Pollution Prevention:
Take effective measures to prevent water pollution during production processes, ensure that wastewater discharge complies with national and local environmental standards, and protect water environmental safety.

Continuous Improvement:
Continuously improve the water resource management system, strengthen awareness of water resource protection, and promote ongoing enhancement of water use efficiency.

III. Key Measures

Application of Water-Saving Technologies:
Prioritize the use of water-saving equipment and processes in production, such as closed-loop cooling systems and water-efficient washing equipment, to reduce water consumption.

Wastewater Treatment and Reuse:
Establish a comprehensive wastewater treatment system to conduct advanced treatment of production wastewater. Treated water that meets reuse standards will be prioritized for production activities, such as cooling and washing, to increase the reuse rate of wastewater.

Enhancement of Wastewater Quality:
Develop advanced wastewater treatment technologies to improve water purification and treatment effects. At the same time, promote the use of environmentally friendly raw and auxiliary materials to reduce water pollution.

Water Resource Monitoring and Management:
Strengthen monitoring and management of water resource usage by regularly testing water quality and quantity to ensure rational and efficient use of water resources. Additionally, establish a ledger system for water consumption and wastewater discharge to provide data support for water conservation and emission reduction efforts.

Emergency Response Mechanism:
Develop an emergency response plan for water pollution, specifying response procedures and measures to ensure rapid and effective handling of water pollution incidents, preventing the spread of pollution and minimizing damage.

Training and Awareness:
Enhance employee awareness of water resource protection through training and education, increasing their consciousness and sense of responsibility for water conservation and discharge reduction. Simultaneously, disseminate knowledge on water resource protection to employees through bulletin boards, internal communications, and other means, fostering a positive atmosphere for water conservation and emission reduction.

IV. Policy Support and Assurance

Financial Investment:
Ensure financial investment in water resource protection and management efforts, supporting the research, innovation development, and application of water conservation and emission reduction technologies, as well as the construction and operation of wastewater treatment facilities.

Technological Research and Innovation:
Strengthen cooperation with research institutions and universities to promote the research, development, and innovation of water conservation and emission reduction technologies, improving water resource utilization efficiency and treatment effects.

Policy Guidance and Incentives:
Actively respond to national and local government policies on water resource protection and management, seeking policy support and incentive measures such as water conservation subsidies and tax incentives.

Supervision and Evaluation:
Establish and improve supervision and evaluation mechanisms for water resource utilization, regularly inspecting and assessing the implementation of water resource policies to ensure the effective achievement of policy objectives.

V. Conclusion

This *Water Resources Policy* reflects the Company's high priority on water resource protection and sustainable development. We will take concrete actions to practice the principles of water conservation and emission reduction, contributing to the protection of water resources and the promotion of green development.