

# Our Communities

## Background

Largo's areas of influence are differentiated between a direct influence area (DIA) and an indirect influence area (IIA), which is the town of Maracás. This is where Largo's guest house is located and where most of the employees and contractors live. Largo has no development projects at the stage where community consultation is required.

There are no Indigenous groups or designated communities with characteristic African cultures (Comunidades Quilombolas, meaning "maroon communities") in Largo's areas of direct and indirect influence. There is no lodging at the mine site. Most employees (500) and contractors live in Maracás (population 20,000) and commute every day (45 minutes each way) by buses provided by Largo or their direct employer. We also provide transportation to and from some of the rural communities.

Before Largo's presence, much of the operational area had been deforested for agriculture and cattle raising. No family farms or people were living in the area, which is isolated and characterized by a lack of surface or underground water for most of the year. The only housing structure existing in the area was already vacant.

In 2011, Largo signed a mineral easement with the landowner. The landowner at the time was a bank, Banco Econômico S.A., which was acquired by another bank, BTG, in 2022. Representatives from BTG visited our operational site in 2023 to verify that the land, including the Legal Reserve and the operational footprint, is being used as prescribed in the agreements.

According to the terms of the mineral easement, Largo is responsible for all post-closure rehabilitation obligations as per our Operating License and Closure Plan.

## Direct and Indirect Influence Areas



● Direct Influence Area    ● Indirect Influence Area

## Management Approach

Our Safety, Environment and Sustainable Responsibility Policy states our commitment to responsible mining and sustainable development. Oversight of sustainable development management is the responsibility of the Operations Committee of the Board of Directors. In addition, the People and Human Rights Policy states Largo's commitments to uphold several rights related to our communities such as opposing involuntary resettlements, respecting Indigenous Peoples' rights, adopting proportionate security arrangements and developing practices for land and water use.

LVMSA's COO, who reports directly to the CEO, is responsible for ensuring that we adhere to our commitments and are compliant with all legislation. The human resources manager, who reports to the LVMSA COO, has a community relations team to support that effort.

As part of the mine's permitting process, there have been several assessments since 2008 to identify potential positive and negative impacts on nearby communities.

These included socio-economic analyses, identification of stakeholders, and potential impacts and mitigations. Vulnerable groups that were identified include small-family farmers, women and youth, especially in the smaller villages.

The mine's community relations team manages community programs and projects, organizes meetings with stakeholder groups and visits projects for oversight.

We are currently monitoring program KPIs such as the increase in family income, the number of people benefited by age and gender, and budget adherence.

KPIs are reviewed internally at least monthly and reported monthly to the executive team. Any special matters arising are discussed at the weekly executive meetings and escalated to the Board as needed. Largo's three main engagement networks are the Enterprise Monitoring Committee (CAE), Grupo de Fortalecimento Social and Rede Comunitária Flor do Maracá.

| Engagement Network                    | Influence Area   | Estimated population | Frequency of meetings |
|---------------------------------------|--|----------------------|-----------------------|
| Enterprise Monitoring Committee (CAE) | Direct and indirect  |                      | Every three months    |
| Grupo de Fortalecimento Social        | Direct area: communities of Porto Alegre, Assentamento Pindobeira, Pindobeira, Jacaré, Água Branca and Pé de Serra | 2000 people          | Every two months      |
| Rede Comunitária Flor do Maracá       | Indirect area: Town of Maracás   | 20,000 people        | Every two months      |

The communities are characterized by high levels of poverty and poor education. There are limited opportunities for acquiring the necessary skills to generate income and few job opportunities. There is a high degree of dependence on agriculture, cattle-raising and dairy, incipient commerce and government benefits. Largo's operations started in 2014, generating a socio-economic change in Maracás, which is now the second largest municipality in tax revenues in the region. Largo is already preparing and investing to minimize the negative impact that the eventual mine closure will have on these communities.

Continuing the work conducted in 2020, Largo has implemented a clear, long-term strategy to guide the community programs in place. The strategy is aligned with the UN SDGs and our business drivers. These programs have been developed through extensive consultation with community representative groups, including identified vulnerable groups, as well as government institutions at the municipal and state levels. They consider the local conditions (cultural, socio-economic, educational) within the cultural and geographical context of the region. This approach maximizes the outcomes for the individual beneficiaries and communities.

Largo's strategy is based on four long-term strategic pillars, while maintaining the flexibility to address other very short-term or emergency needs that may arise. We will define improvement targets once baselines have been established.

## Corporate Citizenship Strategy

| Strategic Pillar                           | Challenges Identified  | Objectives  | KPIs   |
|--|--|---|--|
| Employment and Income                      | <ul style="list-style-type: none"> <li>39% of the population under the poverty line.</li> <li>Lack of job opportunities.</li> </ul>   | <ul style="list-style-type: none"> <li>To promote income generation and access to employment through professional development/skills training and entrepreneurship, considering and valuing local vocations.</li> <li>To improve economic self-reliance by opening new small businesses.</li> </ul>   | <ul style="list-style-type: none"> <li>Number of beneficiaries (by gender).</li> <li>Hours of skill development/training (when applicable).</li> <li>Increase in family income (%).</li> </ul> |
| Education                                  | <ul style="list-style-type: none"> <li>Poor educational indices (as measured in Grade 5 Portuguese and math).</li> <li>Poor results in university entrance exams.</li> <li>Poor knowledge of the institutions and responsibilities of the different levels of government in the adult population.</li> </ul>  | <ul style="list-style-type: none"> <li>To improve the quality of education in the municipality with continuing education for teachers and support for new technologies and teaching methodologies that aim to improve educational indices.</li> <li>Citizenship training for community representatives, including funding opportunities.</li> </ul> | <ul style="list-style-type: none"> <li>Number of beneficiaries (by gender).</li> <li>Total hours of training.</li> </ul>   |
| Environment (this is a permit requirement) | <ul style="list-style-type: none"> <li>Little knowledge of the local biome, particularly about the use of water and soil.</li> <li>Desertification of the local vegetation (caatinga).</li> </ul>   | <ul style="list-style-type: none"> <li>To provide awareness training to employees, contractors and community residents about the local biome.</li> <li>To communicate Largo's sustainability efforts, developing a sense of ethical, social and environmental responsibility.</li> </ul>  | <ul style="list-style-type: none"> <li>Number of events.</li> <li>Number of beneficiaries (by gender).</li> <li>Total hours of training.</li> </ul>  |
| Culture, Sport and Leisure                 | <ul style="list-style-type: none"> <li>Lack of recreational and leisure facilities in the municipality.</li> <li>Social vulnerability of youth and adults.</li> </ul>   | <ul style="list-style-type: none"> <li>Promote activities of leisure, sports and culture that are locally valued, aiming at better quality of life in general.</li> <li>Reduce the risks associated with inactivity in vulnerable populations.</li> </ul>   | <ul style="list-style-type: none"> <li>Number of beneficiaries (by gender).</li> </ul>   |

Alignment with Largo's business drivers can be seen in both short- and long-term objectives. In the short-term, improving educational outcomes and skills training helps Largo hire locally. Good schools are also important for our employees who are raising families in our communities. Quality of life—through our Culture, Sport and Leisure pillar—benefits our workers as well, both directly and indirectly, by making the communities safer. The Employment and Income pillar has a longer-term alignment, working now to minimize negative impacts when the mine closes in the future. The Environment pillar supports our environmental policy of minimizing impacts to biodiversity and the biome, including the effect of hunting on vulnerable species. Overall, it is critical for the operation of our business to have a positive relationship with our communities, and for community leaders to understand the responsibilities of the different levels of government.

## Employment and Income Strategic Pillar Programs



### Liga do Campo

This program focuses on strengthening agricultural chains of production (e.g., beekeeping; watermelon, okra or passion fruit farming) and consolidating social and production organizations like cooperatives that target family farmers who survive on what they grow and sell. Liga do Campo provides technical assistance to individuals and/or groups by giving them access to consulting agriculture engineers, technicians and economists. The main objectives are to increase farmers' output and use modern techniques. In addition, cooperatives and associations help lower farmers' costs through group purchases, and promote their competitiveness in local markets where they can often demand higher prices. This increases family farmers' income and builds long-term sustainability among the co-ops and associations. The program follows best practices in responsible agriculture, emphasizing the balance between food production and impacts to the local biome.

### Mulheres Ativas

This program supports cooperatives formed by women who are trying to develop local vocations into income-generating activities. The program promotes entrepreneurship, which provides women with economic independence and makes them feel valuable. The program is structured on a three-year basis.

Year 1: Identify and analyze the local business market and the socio-economic profile of the beneficiaries and their potential skills. Determine themes for the professional development of the target public.

Year 2: Provide skills training to the beneficiaries with courses in sewing, soap-making and confectionery, for example. Teach professional development for business owners, such as how to create and/or strengthen small businesses; and skills for business managers like developing business plans and timelines, pricing their products, and managing cash flow and inventory.

Year 3: Develop commercial and leadership skills. How to promote and scale-up their businesses; how to access channels that add value to their products; how to create sustainable small businesses that enable self-determination.

## National Service for Industrial Training (Serviço Nacional de Aprendizagem Industrial – SENAI)

SENAI, created in 1942, is the largest institution of trades and technological education in Latin America. It is a network of non-profit, secondary-level (high-school) technical schools created and maintained by the industry sector, the Brazilian Confederation of Industry. It is supported by trade unions and individual companies, with supporting organizations contributing directly and indirectly, based on the size of their payroll (one percent contribution). SENAI is one of the most important institutions in the country, providing formal training for specialized workers in the areas of chemistry, mechanics, construction, etc.

In partnership with the Municipality of Maracás and SENAI, Largo invested over \$35,000 to transform a building once used to house temporary workers into classrooms and laboratories for learning. The Maracás SENAI unit was completed in 2021, with the first classes starting in August 2021. Graduates are provided with resume writing and interviewing skills, and a job bank was created to keep track of them so a variety of local businesses can recruit from among them.

## Education Strategic Pillar Programs



### Continuing education for teachers

In consultation with the Municipal Education Department, this program offers continuing education for teachers through virtual classes and mini-projects. The themes for 2021 included basic sanitation, organic agriculture, agroecology, family farming and sustainable entrepreneurship. Continuing education for teachers provides excellent leverage to improve educational outcomes for students.

### Scholarships

This program is structured on a three-year cycle at high-school level, providing scholarships for four students per grade to attend a private school in Maracás. The scholarships include tuition, uniforms, materials, lunch and extracurricular activities. The students are selected based on academic results.

## Liga do Bem

Aimed at developing leaders and community representatives, this program helps participants to better understand social and political citizenship themes, create networks of volunteers, and plan and execute self-reliant, efficient social programs, independent of Largo's support. It is a dynamic and interactive program, building on Largo's community-stakeholder engagement meetings.

## Environment Strategic Pillar Programs



### Environmental education – events

This program is part of Largo's operational permit requirements, and aims to develop both appreciation and protection of the local ecosystems. It is also an opportunity for Largo to communicate transparently about the environmental programs already in place and the results we are seeing. A variety of environmental topics were covered, such as water conservation, waste composting and recycling, the local Caatinga biome, soil management, the UN SDGs, and more.

### Youth multipliers

High-school students from the direct and indirect influence areas receive training in environmental topics so they can act as multipliers of knowledge in their communities.

## Culture, Sport and Leisure Strategic Pillar Programs

### Arte e Qualidade de Vida

Largo supports two projects with free classes in this program: judo and jiu-jitsu classes (Jiquiriça Project), and music classes in partnership with the Maracás Marching Band (FAMMAC). These projects receive donations of equipment, subsidies for participants to attend out-of-town tournaments, and funds for instructors. We have been supporting the Jiquiriça Project since 2016 and have also donated their training space, Arena Vanádio.

### Projeto Viver Bem

Support for cultural events. This project organizes and sponsors sports and leisure events, promoting health and well being. Activities include bike-riding outings, fitness classes, informal lectures on healthy eating, community theatre skits, and many more.

## Other projects

Largo maintains some flexibility to address any short-term or emergency needs arising in the communities.

### COVID-19

Largo supported the Bahia State Government, the Municipal Health Department and our local communities during the pandemic. In 2021, we donated more than 10,000 food baskets to economically vulnerable families, supplied 300,000-plus masks, and supported 10 COVID-prevention campaigns.

### Mais Água Maracás – water treatment plant

Largo provides water access to the community of Água Branca, consisting of about 65 families. The water treatment plant was built in 2019 and legally donated to the community in 2021.

## Partnerships

All of our community programs involve partnerships with local non-profit associations and relevant government entities. The list includes: Associação Comunitária da Água Branca; Associação do Assentamento Pindobeira; Associação Comunitária da Pindobeira; Associação dos Produtores Rurais de Porto Alegre; Associação Comunitária do Pé de Serra; Associação Comunitária do Money; Casa do Mel (AMAME); Associação Jiquiriça de Artes Marciais (AJAM); Associação Fanfarra Musical de Maracás (FAMMAC); Maracás City Hall; Municipal Agriculture Department; Municipal Education Department; SENAI; Colégio Interativo; Colégio Estadual Edilson Freire; Escola Municipal Luiz Braga.

### United Nations Sustainable Development Goals

\*\*The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.