

# Sustainable Procurement

We continue to improve our sustainable procurement processes. Our Supplier Qualification Procedure defines types of suppliers, including critical suppliers, and provides the workflow and associated roles and responsibilities of the different business areas involved in the purchase of services or products.

## Top goods and services sourced:



### Goods:

Raw materials and chemical products for vanadium processing, fuel, explosives and spare parts



### Services:

Logistics; maritime shipping; transportation of employees; drilling; lab analysis; vehicle rentals; mining services, such as topography, explosives, open-pit mining and transportation of ore and rock waste; maintenance; construction and engineering services; restaurant; security services; electricity.



### Financial Services:

Health plan and meal benefits.



### Other:

Environmental services; packing materials and drums, administrative supplies; IT services and computers; personal protective equipment (PPE); uniforms; etc.

## Supplier Selection Process

Our procurement process entails strict criteria, including the requirement for suppliers to possess a Brazilian registration number (CNPJ) to ensure compliance with government regulations. Contracts include clauses mandating adherence to relevant legislation.

## Request for Proposals (RFP)

Prospective suppliers receive comprehensive documentation outlining mandatory requirements, focusing on occupational health, safety, environmental risk management, and legal compliance. They are guided by Largo's Code of Business Conduct.

## Supplier Qualification

Selected suppliers undergo Largo's qualification process overseen by the Contract Management team to ensure adherence to established procedures. The process includes:

1- Internal Questionnaire: Suppliers complete a questionnaire covering ethics, governance, ISO certifications, and risk management. Qualification requires a minimum score of 70%, with exemptions granted in special cases subject to legal opinion followed by director approval.

2- Due Diligence: Financial and legal due diligence is conducted using the supplier's tax registration number (CNPJ). Largo uses Neoway, a leading Data Analytics and Artificial Intelligence company, for this process. Neoway's platform provides comprehensive information on the supplier's financial status, licences, compliance score, legal proceedings, negative media, PEP cases and environmental notifications. Upon successful completion, the supplier's registration is approved for contract processing in Largo's purchase ERP.

Small local suppliers were supported through facilitated engagement with industry and business associations, chambers of commerce and accounting firms. These organizations helped small entrepreneurs formalize their business entities to meet Largo's minimum requirements, including understanding how to obtain municipal business permits and licenses. As a result of this guidance, businesses were able to qualify as a supplier, and the municipality has added more tax revenue from what is now a legitimate business. In addition, we shared best practices such as the use of more efficient light bulbs and generators.

## Supply Chain Management

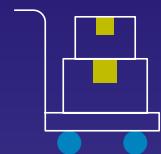
Neoway assesses various risks associated with suppliers, including fraud, reputational, regulatory, operational, financial, and information security risks. These risks are analyzed, classified, and prioritized based on their probability and impact levels.

We identify high-risk suppliers based on their activities with the potential to generate events classified as critical or catastrophic, related to people, environment, quality, material losses and reputation, as well as impacting our operations. Our Risk Acceptability Matrix document allocates values based on the severity of impact and likelihood.

### Additional Step for High-Risk Critical Suppliers

For critical\* suppliers identified as high-risk by Neoway, the "Watcher" tool provides continuous monitoring throughout the contract duration. This tool tracks public data about companies and partners to detect potential compliance issues. Any non-compliance alerts the Contract Management team to take action. Suppliers who fail to address non-compliance may have their registration blocked in Largo's internal ERP until the problem is resolved.

Critical suppliers will be considered those that meet one or more of the criteria established below:



1 Suppliers of products and/or inputs that are capable of impacting the specification of the final product; spot supplies may be required for validation by the interested technical party



2 Contracted services for moving and transporting the final product, which may impact the delivery time to customers



3 Suppliers whose interruption of supply impacts the plant's operational continuity, impacting plans and shipments and bookings



4 Suppliers that carry out activities with the potential to generate events classified as critical or catastrophic, related to facilities, people, environment and/or reputation, by the Company's Risk Acceptability Matrix document



5 Suppliers who perform product conversion on behalf of Largo Vanádio de Maracás S.A. (LVMSA)

