

Stakeholders and Materiality

Largo doesn't operate in a vacuum. We understand that all of our activities can affect individuals or groups and their interests. Therefore, it is critical that we understand who these stakeholders are and what concerns them so we can engage with them in mutually beneficial relationships based on trust and transparency.

We identified our stakeholders considering direct and indirect relationships. Our work with communities addresses regional areas of direct and indirect influence, and we understand our responsibilities towards the contractors working at our site. Human rights are considered in all our interactions.

Stakeholder	Engagement	Key Concerns
Employees	<ul style="list-style-type: none"> On-going as needed Monthly coffee with the president Employee satisfaction survey 	<ul style="list-style-type: none"> Safe work environment that promotes personal and professional development Job security, fair remuneration and benefits Recognition, evaluation and promotion Company strategy and performance Freedom of speech
Labour union	<ul style="list-style-type: none"> On-going as needed Periodic meetings 	<ul style="list-style-type: none"> Safe work environment Compliance with labour laws Fair negotiation of a collective agreement Compliance with collective agreement Respect for human rights of employees Increased number of employees in the union
On-site contractors	<ul style="list-style-type: none"> On-going as needed Participation in daily safety dialogues, mining safety week, awareness campaigns 	<ul style="list-style-type: none"> Clear specifications in request for proposal Clear criteria for work performance and measurement Fair evaluations Safe conditions to perform the work Payment by due date Long-term contracts
Clients	<ul style="list-style-type: none"> Key clients – yearly conference and customer visits Customer survey 	<ul style="list-style-type: none"> Product quality control mechanisms (ISO 9001) Compliance with timeline and volume delivery Competitive cost REACH certification, ISO 14001 Fluid and transparent communication
Suppliers – Tier 1	Engagement through the supplier qualification process, contract negotiations and performance evaluations	<ul style="list-style-type: none"> Fair qualification criteria Clear specs and criteria for the goods to be delivered Payment by due date Long-term contracts
People in our communities and NGOs*	<ul style="list-style-type: none"> On-going as needed Enterprise Monitoring Committee quarterly meetings Rural communities monthly meetings Town of Maracás monthly meetings Satisfaction survey 	<ul style="list-style-type: none"> Transparent communication Projects, initiatives, support and actions for environmental, economic and social development Safe operations and provision of risk awareness Meetings are forums to discuss all issues affecting the communities (not just related to Largo)
Regulatory agencies	On-going through inspections and permit renewals	<ul style="list-style-type: none"> Compliance with applicable legislation and permit conditions
Municipal government	<ul style="list-style-type: none"> Informal through partnership in projects Representative participates in the PMC meetings every two months 	<ul style="list-style-type: none"> Increased tax revenue Promotion of social, economic and environmental development Financial and/or logistical support of government programs
Investment community	Quarterly earnings and adhoc webcasts, industry conferences, press releases, corporate communication strategies, on-going outreach by phone and e-mail	<ul style="list-style-type: none"> Company strategy Financial results
Industry associations	<ul style="list-style-type: none"> On-going as needed Formal virtual meetings 	<ul style="list-style-type: none"> Enhancing the mining industry reputation Ensuring adherence to IBRAM Letter of Commitment

In 2022, additional work was completed by a consulting company at Largo Vanádio de Maracás S.A. (LVMSA), with the scope to survey a large number of stakeholders and understand their perception of the importance and performance of Largo on pre-selected topics. The topics were pre-selected by the internal ESG work team and include most of our material topics. The survey involved 12 one-hour interviews with three clients, two suppliers, two government representatives, one representative from the community and four employees. The interview results demonstrate Largo's credibility on the material topics relevant to the stakeholders interviewed.

An additional survey was circulated with clients, local community organizations, employees, on-site contractors and their families, suppliers, government agencies, non-governmental organizations (NGOs) and the media. This was our first interaction on sustainability topics with suppliers and we received a positive response.

As part of the survey, respondents were asked about their top priorities in the selected topics, their perception of Largo's impact, and the visibility of Largo's current initiatives. The results provide an interesting view of which topics are of interest to which stakeholders and their perceptions of how Largo is performing. Engagement exercises such as these are extremely valuable when it comes to prioritizing communication campaigns. The results of the 2022 engagement survey are aligned with and feed into our materiality process.

Material Topics

The information provided in this section and subsections applies to all material topics selected.

Largo has adopted double materiality principles.

Through comprehensive risk assessments and the licensing process we have been identifying actual and potential negative and positive impacts on the economy, environment and people, including impacts on human rights, across our activities since the early stages of our operation.

The licensing process involves several steps, including the participation of the public and NGOs through public meetings. This began in 2009 in Maracás and the nearby community of Porto Alegre. In addition to the environmental impact assessment, various studies were completed including a social impact, alternatives and archaeological assessment.

The risk assessments are usually conducted by consulting companies with suitable expertise and updates are completed internally by our respective teams. Community consultations were part of the initial licensing process and continue through regular operations.

These impacts are assessed at least on severity (scale, scope, irreversibility) and likelihood. Some impacts are considered across the Life of Mine (LOM) (i.e., short-, mid- and long-term). The impacts are included in risk inventories, which are managed using the risk management approach, including implementation, and monitoring of preventive and mitigative controls.

It is recognized that positive impacts on people and the economy may bring negative impacts to the environment, and the risk assessments provided mitigations that would help balance positive and negative impacts.

The use of formal risk assessments to identify, prevent or minimize harm to people and the environment demonstrates our use of the precautionary approach in our activities.

Each operation is responsible for the management and control of its risk inventories. Preventive controls are identified and implemented based on the hierarchy of control, and we have an annual capital expenditure budget to eliminate safety hazards. We follow a Plan-Do-Check-Act (PDCA) management system, which includes clear roles and responsibilities; programs and operational procedures; training and evaluation; the monitoring of key performance indicators (KPIs); incidents (and near misses) investigations and corrective actions; and emergency response plans and drills (simulations).



Process To Determine Material Topics

In determining material topics, we chose to focus on reporting transparently on negative impacts, as the positive impacts speak for themselves. We consider only actual or potential negative impacts that Largo either caused or contributed to, including the activities of our on-site service providers.

The selected threshold for our prioritization is severity, more specifically irreversibility, for both actual and potential negative impacts. Our material topics are those that could cause fatalities, disabilities, chronic illnesses and irreversible damage to the environment and/or communities and that could be prevented or mitigated by proper management of our operations. We did not use the concept of likelihood, as it can be subjective and difficult to estimate correctly.

The actual and potential impacts of the mining industry are well recognized and addressed in several established frameworks. We reference the International Council on Mining and Metals (ICMM) Mining Principles, the Initiative for Responsible Mining Assurance (IRMA), the Mining Association of Canada's Towards Sustainable Mining standard, and IBRAM's Letter of Commitment to Society. We also apply the SASB Metals and Mining Standard and the GRI 14 Mining Sector 2024 Standards. Our selection of material topics was tested against all of these frameworks.

● Actual Impacts ○ Potential Impacts

Positive Impacts

- Reforestation and biodiversity enhancement
- Improved water treatment and availability
- Efficient waste management and recycling
- Creation of local employment and skills development
- Local infrastructure development
- Local social project investments
- Contribution to public revenues (taxes, royalties)
- Strengthened worker rights and participation
- Promotion of workplace gender equality and diversity

Negative Impacts

- Contribution to climate change (GHG emissions)
- Hazardous waste generation
- Water consumption and potential depletion
- Soil and water contamination
- Disruption of local ecosystems and biodiversity loss
- Vegetation suppression
- Work-related incidents
- Economic dependency and post-closure disruption
- Human rights violations (Tier 1 & 2 suppliers)
- Inadequate climate adaptation and resilience risk management

Certain typical industry topics are not applicable to Largo's operations. For example, there are no Indigenous or maroon communities in our operating region, we do not operate in conflict zones, our operations have not required any physical or economic resettlements, nor do we have artisanal mining activities. Furthermore, Largo does not engage in political lobbying or contribute financially or in-kind to political parties or causes.

List of Material Topics

We have included Critical Incident Management as a material topic to align with the likely material topics outlined in the 2024 GRI 14 Mining Sector Standards. More importantly, this addition reflects our assessment criteria for evaluating the significance of impacts and prioritizing material topics.

Initial List of Topics

- human rights
- supply chain
- labour relations
- talent attraction and retention
- equity, inclusion and diversity (EID)
- ethics and corruption
- cybersecurity
- supply chain risk
- product stewardship
- government relations
- progressive reclamation
- local economic impacts
- procurement practices
- occupational health and safety (OHS)
- community relations and development
- water
- effluents
- greenhouse gas (GHG) emissions
- other air emissions
- energy use
- biodiversity
- mining waste
- processing waste
- other waste
- pressure on local infrastructure

Our selected threshold for materiality is irreversibility: impacts that are usually considered major and catastrophic.

Material Topics

- occupational health and safety
- community relations and development
- water and effluents
- energy and air emissions (climate change)
- biodiversity
- waste
- tailings facilities
- mine closure
- critical incident management

This list of material topics has been reviewed and approved by Largo's Board of Directors.