

LARGO INC.

Report Prepared Pursuant to

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction and Identity

This Report is prepared by Largo Inc. ("**Largo**", "**our**", "**Company**", or "**we**") for the financial reporting year ended December 31, 2023 (the "**Reporting Period**") and sets out the steps taken to prevent and reduce the risk that forced labour and child labour is used at any step in the production of goods in Canada or elsewhere or of goods imported into Canada.

This Report has been prepared and filed pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**").

2. Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

As a Canadian publicly listed entity on the Toronto Stock Exchange ("**TSX**") and NASDAQ, Largo is required to uphold the highest standards of ethical business conduct and corporate social responsibility. During the Reporting Period, Largo continued efforts to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by Largo or of goods imported into Canada by Largo. Largo understands the importance of preventing and mitigating the risks of forced labor and child labor within its supply chain, especially as it relates to the Company's Brazilian mining subsidiary, Largo Vanádio de Maracás S.A. ("**LVMSA**"). Largo adheres to corporate policies (see below Policies section) that encompass strict guidelines and protocols that govern every aspect of the Company's activities, from recruitment and employment practices to supplier relationships and community engagement. By adhering to these policies, Largo ensures that all employees, contractors, and suppliers associated with the Company uphold the principles of fair labor practices, human rights, and dignity for all individuals. Moreover, these policies serve as a foundation for fostering a culture of transparency, accountability, and continuous improvement across the organization, reinforcing Largo's commitment to ethical conduct and respect for human rights in all aspects of its business operations.

3. Structure, Activities and Supply Chains

Structure: Largo is organized and exists under the Business Corporations Act (Ontario) and its Common Shares are listed on the TSX under the symbol "LGO" and on the NASDAQ under the symbol "LGO". Largo is a Canadian domiciled company that has historically been solely committed to the production and supply of high-quality vanadium sourced from the Maracás Menchen Mine, which is owned by the Company's main subsidiary, LVMSA. The Maracás Menchen Mine is the Company's principal operating asset and has accounted for substantially all our revenues since commencing operations in 2014.

Activities: Largo is one of the world's preferred vanadium companies focused on the production of vanadium pentoxide ("V₂O₅") from its Maracás Menchen Mine located in Bahia, Brazil, being the Company's sole material project. In 2023, the Company imported standard grade V₂O₅ into Canada which was produced by LVMSA for conversion into ferrovandium for a Canadian client.

Supply Chains:

Our supply chains include the following:

- Products (for LVMSA) - Raw materials and chemical products for vanadium processing, fuel, explosives and spare parts.
- Services (for LVMSA) – Logistic; 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 (for Largo and its subsidiaries) – Employee benefits.

4. Policies and Due Diligence Processes

Policies:

People and Human Rights Policy

- This policy affirms Largo's commitment to operate in a way that respects human rights, as described in the UN Guiding Principles on Business and Human Rights (the UNGPs). This policy is informed by:
 - The International Bill of Human Rights consisting of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and its two Optional Protocols;
 - The United Nations Declaration on the Rights of Indigenous Peoples; The International Labour Organisation's (ILO) Declaration of Fundamental Principles and Rights at Work; and
 - The United Nations Global Compact.
- This policy is the overarching statement for other policies and procedures such as the Code of Business Conduct, and the Safety, Environment and Social Responsibility policy. Where the policy, procedures and external commitments are more stringent than local laws, Largo operates in accordance with its standards.

Code of Business Conduct and Ethics

- Largo's Code of Business Conduct and Ethics policy provides a set of ethical standards by which each director, officer, employee, consultant and contractor of Largo will conduct his or her business. This policy is intended to give an overview of Largo's expectations for its directors, officers, employees, consultants and contractors and is supplemented by other policies adopted by Largo.

Safety, Environmental and Social Responsibility Policy

- The objective of this policy is to outline how Largo, together with its directors, officers, employees, consultants and contractors, will conduct its business in a safe and environmentally friendly manner and to the highest standards of corporate social responsibility.

Whistle Blowing Policy

- Largo is committed to maintaining high standards of business conduct and ethics, as well as full compliance with all applicable government laws, rules and regulations relating to corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other processes for the prevention of fraud, bribery and corruption (collectively "**Governance Concerns**"). Similarly, Largo expects all staff to maintain high standards in conducting business with honesty and integrity. Pursuant to its charter, the Audit Committee of the Board of Directors of Largo is responsible for ensuring that a process exists whereby persons can report any Governance Concerns relating to Largo. In order to carry out its responsibilities, the Audit Committee adopted a Whistle Blowing Policy, which was further approved for implementation by the local employer. This policy applies to all individuals working at all levels of the organisation, including directors, officers, employees, consultants, contractors, part-time and fixed-term workers, and casual and agency staff. Governance Concerns is intended to be broad and comprehensive and to include any matter, which in the reasonable and genuinely held belief of a Relevant Person, represents malpractice, is illegal, unethical, irregular or criminal, contrary to the policies of Largo or in some other manner not right or proper.

Due Diligence Processes:

Largo and its subsidiaries are governed by policies which are comprehensive, encompassing stringent guidelines and protocols governing every facet of the corporation. More specifically, during the Reporting Period, Largo's subsidiary, LVMSA, utilized Neoway, a leading Data Analytics and Artificial Intelligence company, for this process. Neoway's platform provides comprehensive information on the supplier's financial status, licenses, compliance score, legal proceedings, and environmental notifications. Upon successful completion, the supplier's registration is approved for contract processing in Largo's purchase system.

All LVMSA contracts include clauses on compliance with safety and environmental legal requirements, child labour and other human rights. In addition, Largo includes in all its

Service Provision and Purchase and Sale Contracts clauses that prohibit the use forced labour and child labour.

All LVMSA's employees and the employees of LVMSA's largest on-site contractors are covered under collective agreements.

Employees of third-party companies are only authorized to access LVMSA's facilities after presentation and validation of both personal ID and company legal documentation duly registered with BANCO DOC, a platform linked to a document evaluation for employees of contracted companies. This platform makes it possible, prior to the mobilization of the contracted company, to raise awareness regarding any deviations such as forced labour and child labour.

LVMSA suppliers complete a qualification questionnaire, which includes questions on ISO certifications, occupational health and safety; the environment; and must obtain a minimum of 70% to qualify.

Due diligence for direct (Tier 1) supplier screening provides more visibility into various aspects of LVMSA's business conduct. The platform used at LVMSA (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. The Neoway platform also provides continuous monitoring of critical suppliers which tracks public data about companies and partners to detect potential compliance issues. 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 system until the problem is resolved. No instances of supplier blocking occurred in 2023.

5. Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage Those Risks

No operations or suppliers at risk have been identified.

6. Remediation Measures

During the Reporting Period, the Company did not identify any forced labour or child labour in its business activities and supply chains.

7. Remediation of Loss of Income to the Most Vulnerable Families

During the Reporting Period, the Company did not identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its business activities and supply chains.

8. Training

New employees and contractors working at Largo receive policy training during orientation, with periodic refresher sessions and internal campaigns.

9. Assessing Effectiveness

This is handled through the Company's Ethics hotline.

Largo's Audit Committee monitors and reviews the Whistle Blowing Policy and procedures associated with the reception, retention and treatment of complaints received.

Compliance with all the necessary online reporting for government oversight bodies related to labour rights.

10. Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting year listed above.

I make this attestation in my capacity as a Director of Largo, and not in my personal capacity.

Date: May 28, 2024

Name: Daniel Tellechea

Title: Director

DocuSigned by:

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I have authority to bind the corporation.

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Largo Inc. on May 28, 2024.