

SAFETY, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY POLICY

1 INTRODUCTION

- 1.1 The Board of Directors of Largo Inc. (the “Company” or “Largo”)¹ has determined that Largo should formalize its policy on matters relating to Safety, Environmental and Social Responsibility.

2 OBJECTIVE OF THE POLICY

- 2.1 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.

3 APPLICATION OF THE POLICY

- 3.1 This Policy is applicable to all directors, officers, employees, consultants and contractors of Largo. Each such person or entity will agree to be bound by the provisions of this Policy upon notification of the most recent copy.

4 COMMUNICATION OF THE POLICY

- 4.1 To ensure that all directors, officers, employees, consultants and contractors of Largo are aware of the Policy, a copy of the Policy will be provided to each of them or, alternatively, they will be advised that the Policy is available on Largo’s website for their review. All directors, officers, employees, consultants and contractors will be informed whenever significant changes are made. New directors, officers, employees, consultants and contractors will be provided with a copy of this Policy and will be educated about its importance.
- 4.2 At least once per year, all employees, consultants and, as appropriate, contractors shall verify their acceptance and compliance to this policy to ensure they understand the terms of this and all corporate policies of Largo.

¹ This Policy applies to Largo Inc. and all of its subsidiaries. Accordingly, this Policy will refer to Largo and its subsidiaries as “Largo”.

5 COMPLIANCE

5.1 All directors, officers, employees, contractors (and their sub-contractors) and consultants, in discharging their duties on behalf of Largo, will comply with the laws, rules and regulations of the location in which Largo is performing business activities and, in particular, with respect to safety and environmental laws, rules and regulations. Where uncertainty or ambiguity exists, competent legal advice must be obtained.

6 VISION FOR SUSTAINABLE DEVELOPMENT

6.1 Largo is committed to achieving sustainable development through:

- ingraining our vision for a safe, environmentally friendly and socially responsible culture into our organisation;
- effective management of our activity to minimize the impact on the environment;
- support for local employment and entrepreneurship; and
- support for the development of health, education, training and cultural and sporting activities in collaboration with the community.

6.2 In the conduct of its business, Largo will strive to contribute to a healthier, safer, and more prosperous community in the areas where it operates.

7 SUSTAINABLE DEVELOPMENT POLICY

7.1 Largo is committed to responsible mining and sustainable development in the communities in which it operates.

7.2 The Company strives to achieve or exceed leading industry practice in line with US and Canadian legislation as well as the legislation of the countries in which it operates, and international standards in all aspects of the Company's business: social, environment and economic.

Every effort will be made to make this policy a reality, embraced by directors, officers, employees, contractors (and their sub-contractors) and consultants working with the Company.

7.3 To achieve this, Largo commits to:

- (1) transparency, honesty, accountability, integrity and legality in all aspects of the Company's corporate governance and in the Company's dealings with all stakeholders, including government, the community, employees, contractors, service providers and shareholders;
- (2) adherence to global "Socially Responsible" best practice (as defined by ISO 26000), including taking responsibility for the impact of the Company's activities on society and the environment, and behaving in a responsible and ethical manner at all times;
- (3) respect for the human rights, culture, customs and values of the Company's host community;
- (4) identify, assess, manage and mitigate risks to the Company's host community and the environment;
- (5) continually seek to improve the Company's environmental performance beyond legal requirements;
- (6) implement an environmental and social management system to integrate environmental and social criteria into planning, processes and operational decisions;
- (7) conduct comprehensive monitoring and audits to ensure compliance with all relevant legislation, guidelines, and standards, and to produce regular reports;
- (8) promote and implement the efficient use of resources, and practice waste minimization, reuse and recycling;
- (9) emphasize employment opportunities for the local workforce by the provision of education and training consistent with the needs of the Company;
- (10) allocate sufficient financial resources to meet all the Company's commitments, including those extending into and beyond mine closure; and
- (11) participate proactively with local authorities and the host community for post-

8 ENVIRONMENT POLICY

8.1 Largo acknowledges that long term sustainability of its activity depends on good management in terms of environmental protection.

8.2 The Company will:

- (1) integrate environmental considerations into all aspects of the Company's activity;

- (2) establish and maintain a management system that can identify, monitor, control and improve the environment protection performance of the Company;
- (3) implement periodic evaluation of its environmental performance compared to the Company's objectives and goals;
- (4) once in receipt of the environmental impact assessment, draft a yearly sustainability report on environment performance, which will be published on the Company's website prior to its annual meeting of shareholders;
- (5) observe all the laws and applicable regulations in Canada, the US and European Union, in addition to legislation of the countries in which the Company operates, as well as other obligations that the Company undertakes;
- (6) seek to use the best available practices in all the Company's activities;
- (7) ensure the existence of sufficient financial resources to fulfill all of the Company's environmental obligations and commitments, including rehabilitation;
- (8) ensure that all directors, officers, employees, contractors (and their sub-contractors) and consultants understand the Company's policy and fulfill their responsibilities for environment protection;
- (9) implement an efficient and transparent communication strategy in order to encourage dialogue with interested and involved parties regarding the environmental aspects of the Company's activity; and
- (10) collaborate with local, national and international institutions and organizations on measures to protect the environment.

9 OCCUPATIONAL HEALTH AND SAFETY POLICY

- 9.1 Largo is committed to providing and maintaining a safe and healthy working environment where all employees and contractors conduct themselves in a responsible and safe manner.
- 9.2 The Company is committed to achieving a high standard of Occupational Health and Safety ("OHS") through implementation of all related policies, procedures, standards and continuous improvement of management systems, setting targets and monitoring performance.
- 9.3 It is the Company's belief that all accidents and injuries are preventable. To achieve a zero-accident culture the Company will:
 - (1) Identify and manage the Company's key health and safety risks and establish realistic annual objectives and targets;
 - (2) Comply with all applicable laws and regulations as well as aim to achieve best practice in OHS that meet international standards;

- (3) Integrate management of health and safety strategies into the Company's key business and planning processes;
- (4) Provide employees with the training and resources required to minimize the risks of their work activities;
- (5) Require that contractors (and their sub-contractors) and consultants provide their employees and service providers with the training and resources required to minimize the risks of their work activities;
- (6) Encourage and support employees and contractors to promote initiatives to continuously reduce OHS risks associated with the Company's activities;
- (7) Provide adequate emergency response resources, emergency exercises and related training;
- (8) Ensure that work / access permit systems are diligently and correctly used by all staff and contractors;
- (9) Ensure that all new employees, contractors and their sub-contractors, and visitors are appropriately informed of the Company's OHS policies, procedures and requirements through induction prior to access to the Company's sites.
- (10) Achieve and maintain high levels of workplace hygiene at all times;
- (11) Communicate and enforce the Company's OHS standards with all contractors.

10 ALCOHOL AND DRUGS POLICY

- 10.1 Largo has an obligation to ensure a safe workplace and safe systems of work for people on all the Company's sites. Employees, contractors and visitors on the Company's sites have an obligation to perform their duties in a manner that provides for their own safety and to comply with policies and procedures put in place by the Company.
- 10.2 A person's "Fitness for Work" (FFW) may be compromised as a result of:
- a. The consumption of alcohol; and/or
 - b. The use of drugs (prescription, non-prescription or illicit).
- 10.3 As permitted by law, testing for use of alcohol and other drugs will be conducted by trained and competent Company employees or external service providers in the following circumstances:
- c. Pre-employment screening for recreational drugs;
 - d. Post incident (if required);
 - e. For cause (as an investigation tool where an individual's FFW is questioned);
 - f. Random testing; and

g. Follow-up testing of an individual as a part of a return to work plan.

10.4 Any employee should contact the human resources team or utilize the Company's anonymous ethics reporting system immediately if he or she suspects that an individual's underperformance, misconduct or illness is a result of alcohol or drug abuse. Every effort will then be made to correct problems through offering support and assistance (including medical advice, if appropriate). However, where such support is not effective, or the individual concerned does not follow medical advice, or in cases of gross misconduct the Company reserves the right to initiate a formal disciplinary procedure, which may lead to dismissal.

Original Approval Date:

August 13, 2019

Approval By:

Board of Directors