

Sigma Lithium Corporation

Forced Labour Report

This annual report is prepared by Sigma Lithium Corporation (“**Sigma**” or the “**Company**”) and is filed in compliance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). It describes the approach and actions taken by Sigma to address risk forced labour and child labour in its operations and supply chain during the year ended December 31, 2023.

Our Business

Sigma is a commercial producer of high purity, environmentally conscious, lithium concentrate. The Company’s existing Phase 1 operations and planned tripling of capacity through Phase 2 and 3 expansions represent one of the largest hard rock lithium mining and beneficiation complexes in the world. Our assets are located in the municipalities of Araçuaí and Itinga in the northeastern part of the state of Minas Gerais, Brazil.

The Company owns 100% of the operating assets indirectly through its wholly-owned subsidiary Sigma Mineração S.A. (“**Sigma Brazil**”), with the Project area comprised of 29 mineral rights (which include mining concessions, applications for mining concessions, exploration authorizations, applications for mineral exploration authorizations) spread over 185 km², located within the broader 19,000-hectare land package held by Sigma Brazil.

Sigma’s operations are vertically integrated, with the Company’s mines supplying spodumene bearing material to its lithium production and processing plant (the “**Greentech Plant**”). The Greentech Plant is designed and operated to produce a 5.1% to 6.0% high purity lithium concentrate (“**Green Lithium**”), engineered to the specifications of the Company’s customers in the rapidly expanding lithium-ion battery supply chain for electric vehicles, in an environmentally friendly way through a fully automated and digital dense medium separation process.

The Company’s mission statement has been guided by adhering to the highest level of environmental, social and governance (“**ESG**”) practices since inception in 2012. The Company is focused on social programs promoting sustainable development, inclusion (including on the Company’s Board of Directors), and upskilling local people in the region where we operate. As a result, the Company has committed to advancing the development of its operations in a responsible and sustainable way. The Company is proud to report that it has successfully delivered on its “net zero carbon” program through the purchase of carbon credit “in-setting”, achieving “quintuple zero” production from the onset. Over the longer term, Sigma plans to build upon its ESG commitments through more innovative programs including increasing its trucking fleet’s fuel consumption to a target of 50% biofuels.

The Company's registered office is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The Company's common shares trade under the symbol "SGML" in the United States on Nasdaq and in Canada on the TSX Venture Exchange. Additionally, Brazilian Depositary Receipts trade under the symbol "S2GM34" in Brazil on the B3 exchange.

Our Supply Chains

Our operations' supply chain involves a diverse range of goods and services sourced 75% from within Brazil and 25% internationally (with a great part coming from South Africa), including:

- Energy sources like electricity, oil, fuel, and gas
- Consumables such as explosives, cement, and processing non-harmful chemicals
- Heavy equipment
- IT and communications equipment
- Personal protective equipment

The Company's supply chain also consists of services essential to mining activities (e.g., earth moving, drilling, maintenance, labor) as well as related services (transportation and storage).

Risks of Forced Labour in Sigma's Supply Chains

Sigma operates outside of Canada, specifically in Brazil. Each country from which we source goods presents varying risks of forced labour and child labour. Sigma is aware that some regions from which it sources goods have higher risk of forced labour than other regions. Sigma is exposed to additional risk because of lack of visibility into its Tier 2 and Tier 3 suppliers.

Policies and Due Diligence

Sigma has policies in place that support its commitment to prevent and reduce the risk of forced labour or child labour in its supply chain, including a Human Rights Policy, a Code of Business Conduct and Ethics, and a Whistleblower Policy.

- *Human Rights Policy:* Sigma's Human Rights Policy ratifies the Company's commitment to promote and protect human rights according to international recognized standards as set forth by the United Nations and the International Labour Organization, which includes a specific policy of not tolerating any form of forced labour, child labour or labour performed in conditions akin to slavery. Under the *Human Rights Policy*, Sigma operates a grievance mechanism through which any person can report a human rights issue, including reports of forced or child labour. The grievance mechanism is available 24/7, and can be accessed via telephone, email, and WhatsApp.

- *Code of Business Conduct and Ethics:* Sigma's Code of Business Conduct outlines that the Company values honest, high ethical standard, and compliance with laws, rules and regulations. The Code seeks to deter wrongdoing and promote honest and ethical behavior and fair dealing by directors, officers, employees, consultants, and contractors of the Company.
- *Whistleblower Policy:* if an employee of the Company is aware of any violations of Sigma's Code of Business Conduct and Ethics, under the Whistleblower Policy, any employee can submit a report in writing to Sigma's Audit Committee. Reports can be submitted anonymously and will be treated confidentially. Upon receiving a complaint, the Audit Committee will conduct, or mandate a third party to conduct, a thorough investigation into the complaint.

In further support of its commitment, Sigma has introduced contractual clauses in its template services agreement prohibiting the use of child labour and forced labour by its suppliers. If a supplier is found to have violated this provision, Sigma has the right to fine the supplier or terminate the agreement. Sigma also monitors the actions of its suppliers through direct contact with the senior leadership of its suppliers.

In its *Human Rights Policy*, Sigma has also committed to implementing human rights due diligence, including identifying and assessing adverse impacts on human rights associated with the Company's operations and supply chain, and implementing practices to prevent and mitigate any adverse impacts.

Training

Sigma is committed to operate with integrity. The Company is in the process of strengthening the Code of Ethics at all levels and jurisdictions. The Portuguese version of the Code of Ethics has been disseminated to all employees as part of the process of building a culture of controls and compliance. The Company has also committed to providing training to its suppliers in relation to Sigma's Human Rights Policy.

Assessing Effectiveness

Sigma intends to ensure it can review the effectiveness of the controls it has in place, including monitoring, investigating and assessing any reports of forced labour or child labour made under both the *Whistleblower Policy* and *Human Rights Policy*. If Sigma confirms that it has contributed to negative impacts on human rights, such as confirming instances of forced labour or child labour in its supply chain, in its *Human Rights Policy* the Company has undertaken to generate an action plan, implement corrective and disciplinary action as necessary, and to monitor any corrective measures taken.

The Company also has permanent forums for dialogue with neighbouring communities, where all issues pertinent to these communities are addressed. This includes discussion on social

programs for children and young people and monitoring the activities of our employees and third parties.

These forums help ensure that Sigma is aware of any potential issues of forced or child labour and will assist in monitoring the effectiveness of its policies and training relating to these issues. Sigma always seeks to improve its social programs, training and awareness of issues related to the human rights of employees and third parties.

Remediation

Sigma did not identify situations of forced labour or child labour practices in its supply chain in 2023. Thus, Sigma has not had to remediate any such situation.

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 or entities 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.

DocuSigned by:

Ana Cabral

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Name: Ana Cristina Cabral
Title: CEO and Co-Chair of the Board of Directors
Date: June 3, 2024

DocuSigned by:

Alexandre Rodrigues Cabral

01020CA4F914409...

Name: Alexandre Rodrigues Cabral
Title: Board Member and Chair of the ESG Committee
Date: June 3, 2024

We have the authority to bind Sigma.

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 Assunto: Complete com o DocuSign: Forced Labour Report - Sigma Lithium Corporation
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Rastreamento de registros

Status: Original
 03/06/2024 14:55:45


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Eventos do signatário

Alexandre Rodrigues Cabral
 alexandre.cabral@usherbrooke.ca
 Nível de segurança: E-mail, Autenticação da conta
 (Nenhuma)

Assinatura

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Registro de hora e data

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Termos de Assinatura e Registro Eletrônico:

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Ana Cabral
 anacg-approvals@sigmalithium.com.br
 Nível de segurança: E-mail, Autenticação da conta
 (Nenhuma)

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Eventos de entrega intermediários	Status	Registro de hora e data
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Eventos de cópia	Status	Registro de hora e data
Isabella Pina isabella.pina@sigmalithium.com.br Nível de segurança: E-mail, Autenticação da conta (Nenhuma)	Copiado	Enviado: 03/06/2024 14:58:02 Visualizado: 05/06/2024 15:09:29
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Paula Lacava paula.lacava@sigmalithium.com.br Nível de segurança: E-mail, Autenticação da conta (Nenhuma)	Copiado	Enviado: 03/06/2024 14:58:02 Visualizado: 03/06/2024 15:07:08
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Eventos com testemunhas	Assinatura	Registro de hora e data
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Concluído	Segurança verificada	05/06/2024 15:04:50

Eventos de pagamento	Status	Carimbo de data/hora
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