

### Brumadinho and evacuated territories

We will never forget Brumadinho. We know that the Integral Reparation Program will never compensate for the loss of family members, friends and colleagues, due to the breach of Dam I of the Córrego do Feijão Mine. We have the responsibility to fulfill a public commitment and, more than ever, create strategies that prioritize actions to create a positive social, environmental, and economic impact, paying special attention to the affected people and communities.

Our actions are guided by the commitments made for Integral Reparation, with strong attention to the recommendations of the Extraordinary Independent Consulting Committee for Investigation (CIAE-A in Portuguese) and the Extraordinary Independent Consulting Committee for Support and Reparation (CIAEAR in Portuguese), with emphasis on engagement and dialogue, and active listening of the community and all affected stakeholders.

Vale has been caring for the impacted families by providing assistance to restore their dignity, well-being, and livelihoods. In addition to meeting the most immediate needs of the people and regions impacted, Vale has also been working to deliver projects that promote lasting changes to restore communities and benefit the population effectively.

Despite the immense challenges brought on by the COVID-19 pandemic, throughout 2020, Vale maintained its commitments to Brumadinho and the region, adapted procedures to ensure the health and safety of all involved and remained committed to repairing those affected and the communities.

We are aware that pandemic preventions, mainly social distancing, compromised our professionals' efforts to maintain a constant and close presence to repair the affected territories and build personal relationships. Yet, we tried to maintain virtual channels so that those affected could have direct contact with Vale whenever necessary.

More information can be found at the 2020's Integrated Report: <http://www.vale.com/brasil/EN/sustainability/integrated-reporting-2020/Pages/default.aspx>

### About Vale

Vale S.A. ("Vale") is one of the largest mining and metals companies in the world, based on market capitalization. It is the world's largest producer of iron ore and iron ore pellets and the world's largest producer of nickel, and also produces manganese ore, ferroalloys, metallurgical and thermal coal, copper, platinum group metals, gold, silver and cobalt. It operates large logistics systems in Brazil and other regions of the world, including railroads, distribution centers, maritime terminals and ports, which are integrated with its mining operations. Directly and through affiliates and joint ventures, Vale has investments in energy and steel businesses.

## **About our commitment**

Vale contributes to the discussion of the challenges related to sustainable development. We are committed to working harmoniously with our stakeholders and aligning our activities to the best practices in the mining and metals industry, as well as international guidelines such as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights.

Regarding Security and Human Rights, we engage with public security forces in order to promote the respect for human rights in the performance of security activities. Despite Vale only having become a member of the Voluntary Principles Initiative (“VP Initiative”) in November 2016, our security activities have been aligned to these Principles since 2007, reinforcing our main value, “life matters most”. The implementation of the Voluntary Principles on Security and Human Rights (“VPs”) allows a valuable peer learning experience and guidance to our human rights and security programs and procedures.

## **About this report**

This is an update report. As established on the Governance Rules of the Voluntary Principles Initiative (November 2019), Vale, as a full member, is only required to submit a full annual report once every three years.

### **A. Commitment to the Voluntary Principles**

#### **Engagement in the VP Initiative**

In 2020 Vale’s Corporate Security and Human Rights departments participated in various webinar meetings held by the VPs, including the *Looking Back: Reflections on 20 Years of the Voluntary Principles*.

#### **Promoting and advancing implementation of the VPs**

In 2020, Vale carried out specific training for Corporate Security teams aligned with the Voluntary Principles on Security and Human Rights, during more than 2,600 sessions (individual or collective) for employees and contractors. The sessions were held through both face-to-face meetings (prior to the COVID-19 pandemic) and virtual webinars, covering 69% of the Corporate Security workforce in 2020.

### **B. Policies, Procedures, and Related Activities**

The Human Rights topic was incorporated in more than nine internal Vale policies and norms, as part of Vale's protocols including those from the Corporate Security and Human Resources processes.

Vale actively participates in the International Council on Mining and Metals (ICMM) working Group on Security and Human Rights which aims to support ICMM members to improve performance in maintaining the security of their operations while respecting human rights. Vale representatives from the Human Rights and Corporate Security areas participated in calls and meetings in 2020.

The Company was also invited to be part of the Global Future Council on Human Rights of the World Economic Forum (WEF) and returned to the Business for Social Responsibility (BSR). As a member of the Global Business Initiative on Human Rights (GBI), Vale participated in the annual meetings, sharing case studies and lessons learned in human rights training and risk assessment in human rights.

Vale has maintained partnerships since 2019 with Childhood Brasil and InPACTO - Instituto Pacto Nacional pela Erradicação do Trabalho Escravo. These reinforce the Company's commitment and mobilization, both in defending the rights of children and adolescents, with a focus on preventing and fighting child sexual exploitation; and in combating modern slavery and child labor in its value chain. Vale and Childhood Brasil are now partners in implementing the Na Mão Certa Program, which aims to combat the sexual exploitation of children and adolescents on Brazilian highways. By joining the program, Vale adhered to the Business Pact Against the Sexual Exploitation of Children and Adolescents on Brazilian Highways.

### **C. Country Implementation**

#### **International**

As a result of the internationalization of the Security Department, which started in 2019, the local Security areas in Canada, Indonesia, Malaysia, Mozambique, Malawi, Oman, Dubai and India became part of a global structure in 2020, allowing for the sharing of good practices, lessons learned, processes and methodologies.

A Security Master Plan was designed and conceived to guide this structure's reformulation, where Human Rights has a pivotal role. Following Security Master Plan premises, in 2020 Vale trained the local police forces in Mozambique and Malawi, reinforcing its commitment and engagement with Human Rights concerns and in accordance with the Memorandum of Understanding (MoU) clauses signed between Vale and the public security police forces of these countries.

Besides Mozambique and Malawi, PT Vale Indonesia also renewed its MoU with the Military Regional Command in 2020, strengthening community development around the company's perimeter, in line with VP's standards.

#### **Brazil**

In September 2019, the Government of Pará (Brazil) and Vale signed two important cooperation agreements in the area of public security. The purpose of these agreements is to intensify articulated and integrated actions of public policies, social defense and valorization of

citizenship in the state. The Government will rely on Vale's investments to provide material resources for the activities of the Civil and Military police in southeastern Pará and to build inclusive community spaces, known as Usinas da Paz (“Peace Plants”).

Usinas da Paz are spaces designed to serve communities offering public services, such as courses and workshops, as well as leisure and sports activities. The idea is to create a sustainable project that generates empathy with the local population, with the ample utilization of the structure by the residents of the assisted neighborhoods and, therefore, the care for space. The architectural project adapts to the climatic conditions of the Amazon region, such as rains throughout the year and high temperatures. The program counts on the advice of the ex-secretary of Public Security of Rio de Janeiro, José Mariano Beltrame, and of the creator of the NGO Observatório de Favelas do Rio, Jailson de Sousa, as well. Investments by Vale sums US\$ 20M[1].

Up to six Usinas da Paz will be implemented in Pará, benefiting more than 370.000 people. Vale will be responsible for the executive projects and the construction of these units. The forecast for the execution of the plants is three years. The plants are part of the Territories for Peace (TerPaz) program, which consists of a broad effort by the state government to reduce social vulnerability and tackle the dynamics of violence. The project is based on the articulation of public security and citizenship and aims to provide to the communities up to 92 initiatives and services related to sports, experimental cuisine, cinema in the neighborhoods, music, flower planting, commerce, digital inclusion, workshops for environmental agents, itinerant library and theater, professional courses and community police.

In 2020, the implementation stage of these six units was initiated in the territories of Icuí, Benguí, Cabanagem, Nova União, where there are the highest levels of violence in the State of Pará, as well as in strategic territories for Vale (such as Canaã dos Carajás and Parauapebas), where the company also faces public security challenges.

The second cooperation term signed between the Government and Vale supports actions to strengthen public security in Canaã dos Carajás, Curionópolis, Marabá, Ourilândia do Norte, Parauapebas and Eldorado dos Carajás, cities covered by the mining operations in the southeast of Pará.

#### **D. Lessons and Issues**

##### **1. Reparation**

The priority operation to search for the 11 victims not yet located was resumed by the Fire Department of Minas Gerais in August, after five months of suspension due to the social isolation imposed by the COVID-19 pandemic.

Vale is providing full support to this process and, during the shutdown period, made improvements to facilities and accesses and the drainage of impacted areas to keep firefighters safe.

Since its start, the Integral Reparation Program has carried out actions to assist people; build emergency projects, water security and infrastructure; compensate and restore the local economy; and pay indemnification.

More than 8.700 people have been individually indemnified as of December 2020, and Vale has disbursed over BRL 13 billion (USD 2.5 billion) in indemnification payments, infrastructure projects, and environmental and socioeconomic reparation initiatives. This amount does not consider expenses with dam de-characterization.

### **1.1 The Reparation Program includes:**

Socio-economic structuring projects that seek full reparation and the well-being of the people affected, in addition to paying individual indemnities.

- Socio-environmental reparation actions.
- Investments in urban infrastructure and public equipment.
- Initiatives to improve the quality of life for people in the evacuated territories, and to restore their previous living conditions as much as possible.

### **1.2 Main reparation plan actions conducted in 2020**

Vale complied with the recommendations of the Extraordinary Independent Consulting Committee for Support and Reparation – CIAE-AR, addressing 82% of the actions by January 2021 and with 16% in progress. (see the full report at <[http://www.vale.com/PT/investors/Documents/Relat%C3%B3rio%20Final%20do%20CIAEAR\\_english.pdf](http://www.vale.com/PT/investors/Documents/Relat%C3%B3rio%20Final%20do%20CIAEAR_english.pdf)>).

With the closure of the CIAE-AR in February 2020, activities to monitor the Integral Reparation Program previously carried out by this Committee began to be monthly conducted by the Sustainability Committee.

The company has contracted an annual external and independent assessment of the reparation progress and CIAE-AR recommendations implementation. See below some of the actions taken in 2020.

#### Socioeconomics

In the area of socio-economic remediation, Vale believes that it is necessary to create more diverse opportunities for local communities, increasing the generation of employment and income for the affected populations. This work is aimed towards ensuring the social, economic and environmental sustainability of the impacted territories, by supporting initiatives that develop local vocations, such as investing in agriculture, tourism, sustainability and the environment.

For Brumadinho, we implemented the Propositional Study of the National Institute of Science and Technology in Public Policy, Strategies and Development (INCT acronym in Portuguese) of the "Strategies for the Transformation of Brumadinho." This was one of the external diagnoses that underpin the Integral Reparation Program and identifies ways to boost the municipality's

economic diversification, reducing its dependence on mining and creating tools to transform the local reality

### **1.3 Other actions to reduce Brumadinho's dependence on mining**

In 2020, we made an investment of USD 390,000 and in 30 social initiatives, to develop actions to reduce Brumadinho's dependence on mining:

- Through Programa Valorizar, we trained 52 social organizations, and selected 30 projects to receive Vale's voluntary social investment.
- The Agricultural Incentive Program has already registered approximately 300 farmers in Brumadinho and Mário Campos and the Cultivar Project is helping to the restart of agricultural activity in Mário Campos.

## **2. Lagoa Farm – Pará, Brazil**

In June 2020, in Southeast Pará, in Brazil, leaders of a local social movement made an illegal connection of electric energy near the Carajás Railroad (EFC), posing a risk to the community and the railroad's operation.

After repeated attempts at dialogue, Vale's security team was preparing to demobilize the illegal connection when it was attacked with firearms by a small number of peasants. Two families filed personal injury complaints against the company. The case was archived by the competent authority on the grounds that the company's actions were legitimate and proportional.

## **3. Mozambique landmine incident**

On November 27, 2020, in Cateme, in Mozambique, a child died and another four suffered injuries when playing in an area near the resettlement area granted by Vale. Despite having occurred outside Vale's resettlement area, but in the Cateme region, Vale's Community Relations and Government Relations teams responded to the emergency by providing assistance to the family and the Government followed on with their protocols.

It is important to note that the region where Vale's resettlement is located is considered a mine-free area by the government of Mozambique and there have never been any accidents of this type in that location. The demining process remnants of the Mozambique civil war is of the Government's responsibility and this area was certified even before Vale started the resettlement.

## **4. Vale New Caledonia**

The New Caledonia site had its operations shut down and was in the process of being sold, which has motivated some manifestations. In December 2020, Vale Nouvelle-Calédonie S.A.S. operations (VNC) were safely evacuated after a night of protests by pro-independence activists at and near the plant.

A fire was started in the mine and in the mine's infrastructure area, but it was controlled by the fire department. The VNC plant was not affected, located 7 km away from the area. Operations were halted until safe working conditions and community conditions prevailed. There were no victims, environmental damage or industrial accidents. After the evacuation of the VNC, the operation was protected by military forces (Gendarmes).

Vale repudiates these acts of violence and reaffirms its commitment to the safety and protection of the unit's employees and the local community, and unconditionally supports efforts to resolve this situation peacefully.