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Vale remains focused on repair fronts in Brumadinho

Since the breach of the B1 Dam at the Córrego do Feijão Mine, Vale has been dedicated to quickly repairing the damage in Brumadinho and other municipalities affected along the Paraopeba river, with actions that include indemnification, donations, medical and psychological assistance, the purchasing of medicines and the construction of safety structures, among other initiatives. After six months, the company has already agreed on the final individual and labour indemnities, structured and implemented monthly financial transfers to more than one hundred thousand people, started the main tailings removal and environmental recovery works, formalized donations to local governments and state public agencies, ensured the care of the animals and set up the entire system for monitoring the water quality of the Paraopeba river.

The causes of the breach are still being investigated. Since the moment the dam breached, Vale has submitted all the relevant documentation and information requested and, as a major interested party in the factual outcome of the investigation, will continue contributing in every way possible.

Special Department

On April 30, Vale announced the creation of the Special Repair and Development Department to focus on actions that involve repairing the damage caused by the breach of the B1 dam. The department has more than 400 dedicated employees and has started coordinating socioeconomic and environmental actions to re-establish the affected municipalities. The aim is to get closer to the events and improve the relationship the company with the communities. The department reports done directly to the company's CEO.

Psychological assistance, treatment and logistical support

At the help centers, those affected continue to receive various aid services and humanitarian assistance. The centers also offer pharmaceutical items, food and water for stricken families. Telephone help lines are still available so that the affected population can request all kinds of emergency support (shelter, water, food, clothing, medicine, transportation, etc.) and / or repair services.

To date, more than R\$ 2.3 billion has been invested in environmental services, health care supplies, transportation and other logistical costs. Approximately 241 million liters of water for human, animal and agricultural irrigation have been supplied to 16 municipalities and more than 100 thousand pharmaceutical items have been purchased.

As of July 16, 256 families have been accommodated in temporary housing, hotels, guest houses or the homes of friends and relatives. Vale reiterates that it continues to provide all necessary support to families until the situation completely normalizes.

Donations and indemnities

Vale acted with agility to resolve the financial uncertainty of families impacted by the dam breach. In the last six months, the company has already started paying emergency compensation, individual and labour to more than one hundred thousand people, in addition to making voluntary donations to those affected, including farmers and merchants from the affected areas immediately cover personal expenses.

Just three days after the breach, Vale announced that it would offer voluntary donations in order to cover the costs of short-term personal expenses of the families, farmers and merchants of Córrego do Feijão and Parque da Cachoeira. In Brumadinho, 276 families of the victims received donations to the amount of R\$ 100 thousand, 101 families residing in the Self-Rescue Zone (ZAS), on the date of the breach, received R\$ 50 thousand and 91 rural producers and merchants with productive activities in the ZAS received R\$ 15 thousand.

On March 20, to help families become self-sufficient, Vale signed a Preliminary Agreement (TAP), which guaranteed emergency payments to all those residing in Brumadinho or up to one kilometer from the Paraopeba River channel, between Brumadinho and the Retiro Baixo Plant, in the city of Pompéu, on the 25/1/2019. The agreement was adjusted by the Attorney General of Minas Gerais, Public Prosecutor of Minas Gerais, Public Defender of Minas Gerais, Attorney General of the Union, Federal Public Ministry and Public Defender of the Union. The document provides for the payment of a monthly minimum wage, for each adult, for a period of 12 months (January to December, retroactively), 50% of the monthly minimum wage for each teenager and 25% of the monthly minimum wage for each child. Residents of the Córrego do Feijão and Parque da Cachoeira neighborhoods will also receive a basic food basket per family. More than 101,000 people are already receiving regular compensation.

On May 5, an agreement between the Federal Public Ministry, National Indian Foundation (Funai) and Chieftains of the Pataxó indigenous community extended the emergency indemnities and basic food baskets to 150 indigenous people from 46 families living along the banks of the Paraopeba River in São Joaquim de Bicas.

Donations and monthly emergency on lending have given families more financial peace of mind to start negotiations on their respective individual indemnities cases with Vale, in a lawsuit filed by the company and the Public Defender of Minas Gerais. The Term of Commitment (TC), signed by the parties on April 8, allows residents to voluntarily negotiate compensation for material and moral damages, without prejudice from other collective negotiations. 171 agreements have already been closed and Vale will continue receiving people affected who wish to discuss individual compensation, with the assistance of the Public Defenders Office of Minas Gerais, without prejudice to the continuation of the talks with authorities, aiming to repair social and environmental collective damages.

Labour agreements

Regarding the families of Vale employees and third-party workers affected by the breach of the dam, Vale fulfilled the Public Civil Action (PCA) signed on February 15 with the Public Labour Ministry and unions for emergency assistance to families, providing, among other terms, the payment of 2/3 salaries of all deceased employees and third parties, health plans for family members, child care and education assistance. The PCA was in force until the final settlement of the agreement, which was signed on July 15, with the Labour Ministry of Minas Gerais. From now on, the relatives of the worker's victims of the B1 dam breach of the Córrego do Feijão Mine in Brumadinho can now receive repairation, starting individual agreements, observing the following pretenses:

- Parents, spouses or partners and children of deceased workers will receive, individually, R\$ 500 thousand for moral damages. Siblings will receive R\$ 150 thousand.
- There will be an additional individual 'accident at work' insurance payment to the amount of R\$ 200 thousand to parents, spouses or partners and children. There will also be a material damage payment to the nucleus of

dependents, with a minimum value of R\$ 800,000.

- Childcare allowance of R\$ 920 per month will be paid to the children of deceased workers up to the age of 3 and education assistance of R\$ 998 per month for children between the age of 3 and 25. A medical insurance benefit will be provided for spouses or partners and for children up to 25 years of age.
- The agreement also provides for stability to its direct and third-party employees of the Córrego do Feijão Mine on the day of the breach, and to the survivors who were working at the time of the breach, for a term of 3 years from January 25, 2019, and can be converted into monetary compensation
- Vale will deposit, on August 6, 2019, the amount of R\$ 400 million for collective moral damages. The agreement will also result in the unfreezing of the previously frozen R\$ 1.6 billion.

Projects and infrastructure

Vale is working on several fronts to ensure the geotechnical safety of the remaining structures at the Córrego do Feijão Mine, the removal and proper disposal of the tailings and part of the environmental repair, especially the Ferro-Carvão stream and stretch of the Paraopeba River impacted by tailings.

At the Córrego do Feijão Mine, Vale is carrying out work to strengthen the stability of the remaining structures, including dam B6, and B1 where the remaining tailings are. Altogether, R\$ 1.8 billion will be invested by 2023 and between R\$ 400 and R\$ 500 million this year.

The Tailings Containment Plan, presented by the company to the public agencies shortly after the dam rupture, divides the work into three sections. Section 1 is a ten kilometer stretch between B1 and the confluence of Ferro-Carvão stream and the Paraopeba river; Section 2 continues to the municipality of Juatuba (Minas Gerais); and Section 3 is a strip of approximately 170 kilometers of the river Paraopeba, between Juatuba and the Retiro Baixo Plant, in the municipality of Pompéu (MG).

At the confluence of the Ferro-Carvão stream and the Paraopeba river, a Fluvial Water Treatment Station (ETAF) has been installed. The ETAF is already in operation and has a capacity to treat approximately 2 million liters of water per hour.

The set of integrated works has so far involved the contracting of 28 companies. The forecast is to generate 2.5 thousand jobs at peak project times. Currently, there are around 1,500 workers with more than 800 in Brumadinho and the surrounding region.

All the containment structures are decommissionable, i.e. they can be disassembled the moment they are no longer needed in the reparation process. Similarly, the implantation of all these structures fulfills the integrated role in the sediment containment process of material flowing along the Paraopeba course. The actions were duly communicated and approved by the public agencies and the military Fire Service of Minas Gerais. (For more information, click here).

Careful removal of tailings

The tailings removal work is being carried-out carefully and the planning process is developed in conjunction with the Fire Service. In Section 1, the tailings are at their most concentrated. It is estimated that, between 6 and 7 million cubic meters of tailings that leaked from B1, are deposited there.

So far, about 750,000 cubic meters of material have been removed, which, after being inspected by the Fire Service, are transported to an area within the Córrego do Feijão Mine, previously defined and authorized by the competent agencies.

To support the tailings removal operations and to continue the integrated environmental repair works in Brumadinho, Vale is building a 3.6 kilometer road where the former railroad branch line of the Córrego do Feijão Mine operated. The access will be exclusive to the vehicles used in the construction works, especially for the management of tailings. The road starts near the Alberto Flores Avenue bridge and goes to the mine area. With this, it is estimated that, on a daily basis, about one hundred heavy vehicles will be diverted away from local roads, improving traffic within communities. Access will also provide greater safety in the tailings removal activity, especially in the range between BHO and the confluence of the Ferro-Carvão stream with the Paraopeba River, where the most concentrated tailings are found.

Monitoring of the Paraopeba River

So far, the analysis carried-out by Vale and the Mining Institute of Water Management (Igam) show that the sediment plume did not reach the São Francisco River, remaining in the reservoir of the Baixo Retiro Plant, in Pompéu, 315 km from the dam B1. Since the end of March, Igam has not detected levels of mercury and lead above legal limits. The presence of these heavy metals was what originally led the state authority to prohibit the direct capture of water from the river. The ban is still a preventive measure.

There are 67 points that are monitored on a daily basis, covering more than 2,600 kilometers in length. There are points located upstream of the B1, along the Ferro-Carvão stream, the Paraopeba and São Francisco rivers to its mouth in the Atlantic Ocean, the reservoirs of the Retiro Baixo Plant and Três Marias, as well as the main tributaries of the Paraopeba river.

To date, 1.8 million water, sediment and tailings analyzes have been performed, considering 393 parameters. In addition to surface water analysis, samples were also collected at a depth of two meters. The results are comparable to surface waters, being within the normal range.

Community infrastructure

Vale is executing a package to quickly repair what has been damaged. These actions are defined and improved through dialogue with the communities and competent bodies. Check out some actions taken and others in progress:

- The new Alberto Flores Avenue bridge was completed on April 10 with vehicle traffic operating in both directions.
- The Church of Nossa Senhora das Dores, in Córrego do Feijão, used as a point of support for the Fire Service after the breach of B1, has been reformed and revitalized. About 200 families (800 people) live in the region. The resumption of services took place on April 21, Easter Sunday.
- Construction of a new road from Córrego do Feijão to Alberto Flores Avenue, linking the community to the Center of Brumadinho. The road will be about 3.5 km long. This road, known as Estrada do Cantagalo, will also be made of asphalt, as well as the roads that form part of the Córrego do Feijão Mobility project, which will re-establish traffic to the community in a safer way.

- Maintenance and improvements to about 700 kilometers of roads in Brumadinho and other impacted cities, such as São Joaquim de Bicas and Mário Campos. This work is routine and is being carried-out from Monday to Sunday, on a 12-hour per day basis. The aim is to mitigate the impact of heavy vehicle traffic on local roads.

Support to the municipality and institutions of Brumadinho

Also in January, Vale agreed to pay, over a period of two years, R\$ 80 million to the municipality of Brumadinho as a way to offset the loss of revenue from the municipality due to the shutdown of the activity at the Córrego do Feijão mine.

On February 18, Vale signed a cooperation agreement with the Municipality of Brumadinho, with a contribution of R\$ 2.6 million to expand humanitarian aid to the municipality, which has multidisciplinary teams working in the health and psychosocial areas together with the acquisition of equipment and materials needed to provide these services. This also includes the allocation of 20 vehicles to transport these specialists and temporary structures to facilitate this emergency service. The company has also provided aid and funeral assistance to the representatives of the deceased. The assistance covers expenses for the following: notary, transfer of bodies, adorned urns, deposits, burials etc.

In recognition of the work by the Military Fire Service of Minas Gerais in Brumadinho, Vale has formalized a contribution of R\$ 20 million for the purchase of equipment, structural improvement and professional training. Vale also signed an agreement with the State Government of Minas Gerais to support the safety of communities through donations to be made to the Civil Defense and Military Police. For the Civil Defense, the investments will add up to R\$ 5 million and the donation to the Military Police, totals R\$ 4 million. In addition, Vale has also assigned R\$ 6.5 million for the acquisition of state-of-the-art equipment for the Belo Horizonte IML.

Animal care

The rescue and care of animals affected in Brumadinho and nearby areas is being carried out by more than 20 teams, totaling 229 people. These teams consist of veterinarians, biologists, zootechnicians and specialists in various environment areas. The consultations are carried out according to a series of health protocols recommended by the Regional Council of Veterinary Medicine (CRVM), the Federal University of Minas Gerais (UFMG) and the Institute of Mineiro de Agropecuária (IMA).

The animals are attended to by a team of veterinarians, registered and separated by species and by state of health.

The animals in need of treatment are referred to the Campanha Veterinary Hospital. The hospital has a surgical area (with equipment and instrumentation), pharmacy, care sectors, diagnostic rooms (with X-ray and ultrasound), laboratory and warehouse.

The animals that are healthy are assigned to the Wildlife Shelter Farm. The place rented by Vale has facilities suitable for looking after domestic and wild animals, such as outpatient clinic, pharmacy, kennel, cattery, pens, chicken and duck pond.

Both the Campanha Veterinary Hospital and the Fazenda Abrigo de Fauna were inspected by the Brazilian Institute of Environment and Natural Resources (Ibama) and by the CRVM.

As of July 9, there have been 15,210 specimens of fauna and animals registered. Of the 645 animals rescued, 518 are still under the care of Vale (46 in the Campanha Veterinary Hospital and 472 in the Fauna Shelter). The list includes

several species including domestic and wild.

More information -









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