



# Proxy Season Webinar

March 2020

1. Corporate Governance
2. Management compensation
3. ESG Approach

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# **Corporate Governance**

**2019 was the most challenging moment in Vale's history...**



**Reconstruction of the Bridge at Alberto Flores Avenue in Brumadinho, MG**

# Renewed C-suite has lead changes in cultural aspects and a pivotal moment in safety management

## Named Executive Officers



**Eduardo Bartolomeo**  
President and  
Chief Executive Officer



**Alexandre Pereira**  
Executive Officer,  
Global  
Business Support



**Carlos Medeiros**  
Executive Officer for  
Safety and Operational  
Excellence



**Luciano Siani Pires**  
Executive Officer,  
Finance and Investor  
Relations



**Luiz Eduardo Osorio**  
Executive Officer of  
Sustainability,  
Communication and  
Institutional Relations



**Marcelo Spinelli**  
Executive Officer for  
Ferrous Minerals

## Non-named Executive Officers



**Mark James Travers**  
Director for  
Base Metals



**Alexandre Silva  
D'Ambrosio**  
General Counsel



**Juarez Saliba de Avelar**  
Director of Coal, Strategy  
and Mineral Exploration



**Marcelo Klein**  
Special Director for  
Recovery and  
Development



**Marina Quental**  
People Director

After Brumadinho

# Three dedicated committees were formed to enable the Board to respond quickly and appropriately as events unfolded

## Extraordinary Independent Consulting Committee for Dam safety



- 19 meetings
- 40 days in field trips
- 16 reports to the Board of Directors

The Committee will be maintained beyond 2020

## Extraordinary Independent Consulting Committee for Support and Repair



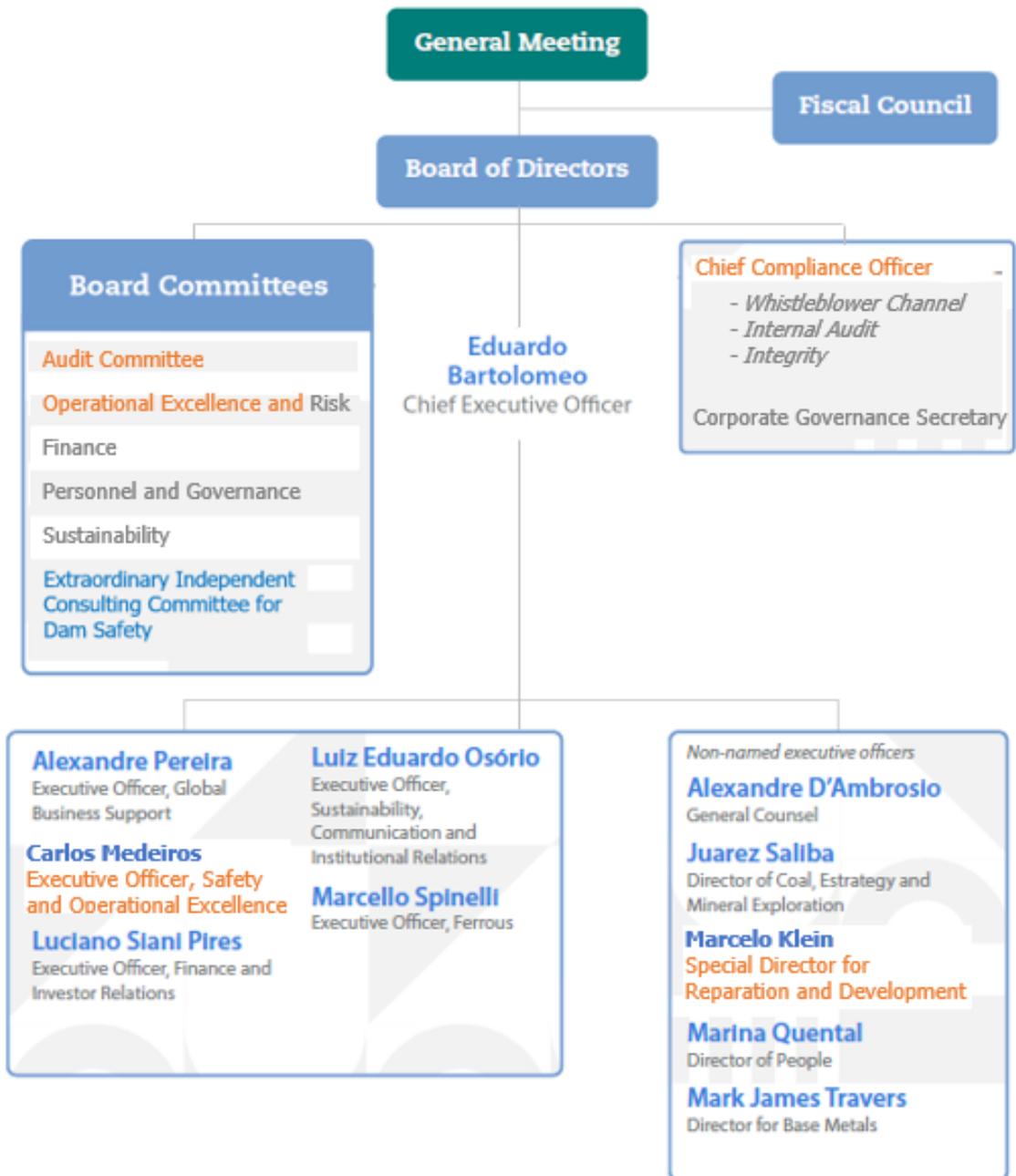
- 77 meetings
- 13 days in field trips
- 95 recommendations to the Board of Directors
- [Click here](#) to the Report of the Independent Support and Repair

## Extraordinary Independent Consulting Committee for Investigation



- 49 meetings
- 25 recommendations to the Board of Directors
- [Click here](#) to the Executive Summary of the Independent Investigation Report

Enhanced corporate governance to make Vale compete more effectively and build **long-term shareholder value**



# Board noted the need to further intensify the risk agenda and devoting special attention to new technologies and initiatives

<b>Governance Enhancements</b>					
<p><b>Personnel and Governance Committee</b> reinforcement of <b>Nomination role</b></p>	<p>Compliance and Risk Committee to become the <b>Operational Excellence and Risk Committee</b></p>	<p><b>Audit committee</b> established to go beyond the requirements of regulations</p>	<p><b>Chief Compliance Officer</b> to be appointed</p>	<p><b>Dam Safety</b> committee to be continue over 2020</p>	<p>Increase in the number of board members with <b>mining experience</b></p>
<p><i>Subject to the approval of the bylaws amendments</i></p>					

# Board, committees and Fiscal Council showed a high level of commitment over 2019

Number of meetings and attendance rate (%)



# Board Profile



**José Maurício Pereira Coelho**  
**Chairman of the Board of Directors**  
 Member since 2019  
 Strong expertise in Finance and wide experience in boards of directors and advisory committees



**Eduardo Rodrigues**  
 Member since 2019  
 33-year experience in mining with international exposure



**José Luciano Penido**  
 Member since 2019  
 Experience in mining and steel. Strong background in ESG. Experience as chair board



**Marcelo Gasparino**  
 Independent Member nominee  
 Experience as a board member in several companies



**Isabella Saboya**  
 Independent Member since 2017  
 Specialist in Corporate Governance and Capital Markets



**Marcel Barros**  
 Member since 2012  
 Experience in pension funds. Former member of UN-PRI.



**Murilo Passos**  
 Member since 2020  
 Former C-level and senior management positions in public listed companies. Experience as chair board

## Qualifications and Experience

- Mining / Operations
- International Experience
- Logistics

- Corporate Governance
- Sustainability/ESG
- Communications Experience
- Risk Management Experience

- Strategy and Innovation
- Financial / Accounting Experience
- People / Talent Management

# Board Profile



**Oscar Camargo**  
Member since 2003  
Over 40-year  
experience in senior  
management positions  
of mining companies



**Roger Downey**  
Member since 2019  
Experience in mining.  
Former Vale executive  
for Fertilizers, Coal  
and Strategy



**Sandra Guerra**  
Independent Member  
since 2017  
Specialist in Corporate  
Governance and  
experience as board  
member in several  
companies



**Toshiya Asahi**  
Member since 2017  
Background in trading  
and investment in the  
iron ore, aluminum,  
copper and nickel  
areas



**Fernando Jorge Buso Gomes**  
**Vice Chairman of the Board of Directors**  
Member since 2015  
Extensive experience in finance  
and has served as a member in  
several boards



**Lucio Azevedo**  
Member since 2015  
Vale's employee  
representative  
Strong experience in  
railway



## Qualifications and Experience



Mining / Operations



International Experience



Logistics



Corporate Governance



Sustainability/ESG



Communications Experience



Risk Management Experience



Strategy and Innovation



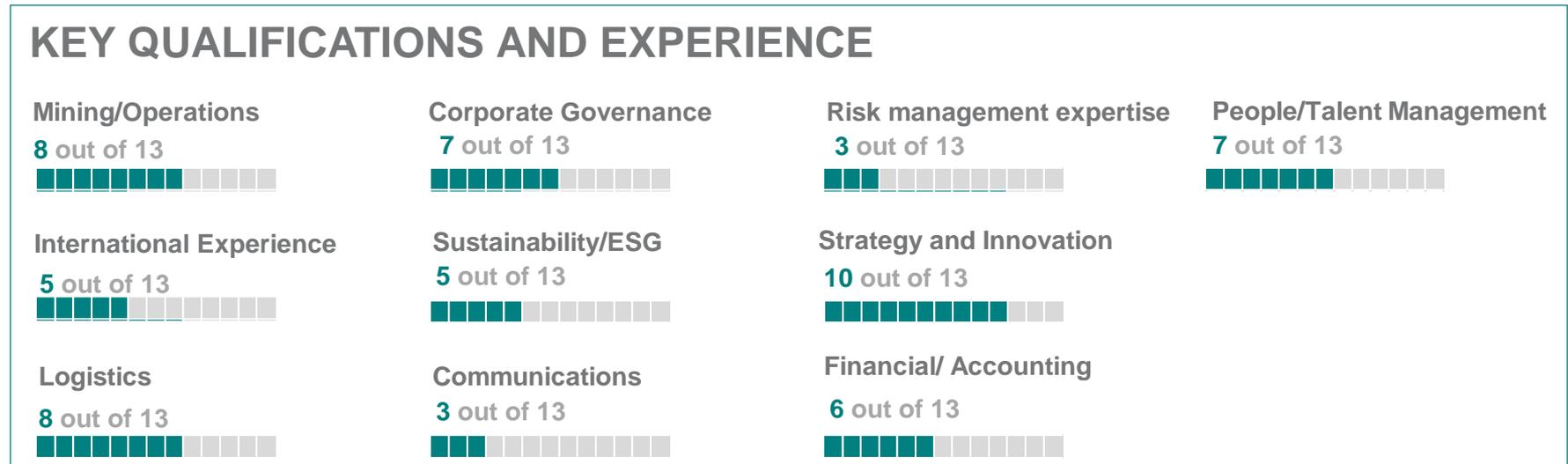
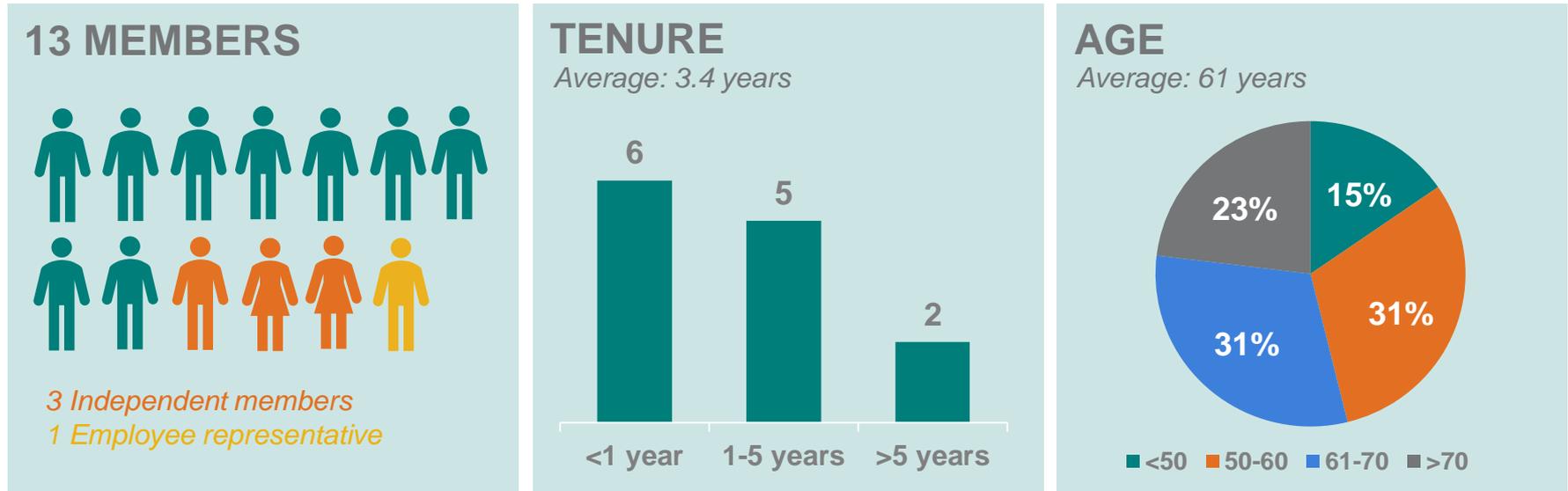
Financial / Accounting Experience



People / Talent Management

Note: Employee representative term will expire only in April 2021 and he is not eligible for 2020 elections.

# Board gathers different skills and seniority, with 7 former C-suite executives



# Cultural transformation: building understanding, setting standards, generating adherence

## What did we do?

- 3** meetings about culture with Board of Directors + *Interviews with Board members*
- 4** capabilities workshop with DE-1
- 1** culture workshop with Board of Directors
- 6** meetings with lever leaders
- 5** meetings about Culture with Executive Board + *culture workshops with specific teams (e.g. Iron Ore, Business Support)*
- 3** market insights + *contents of cultural transformation and leadership*
- 2** culture diagnosis conducted
  - *IDEO diagnosis*
  - *Culture diagnosis with WTT started*



## Outputs

### Cultural narrative construction



360° assessments focusing on key behaviors

### Guiding' definition



### Leadership development

### Reflection about Cultural Journey (Leaders' Forum)



# HR

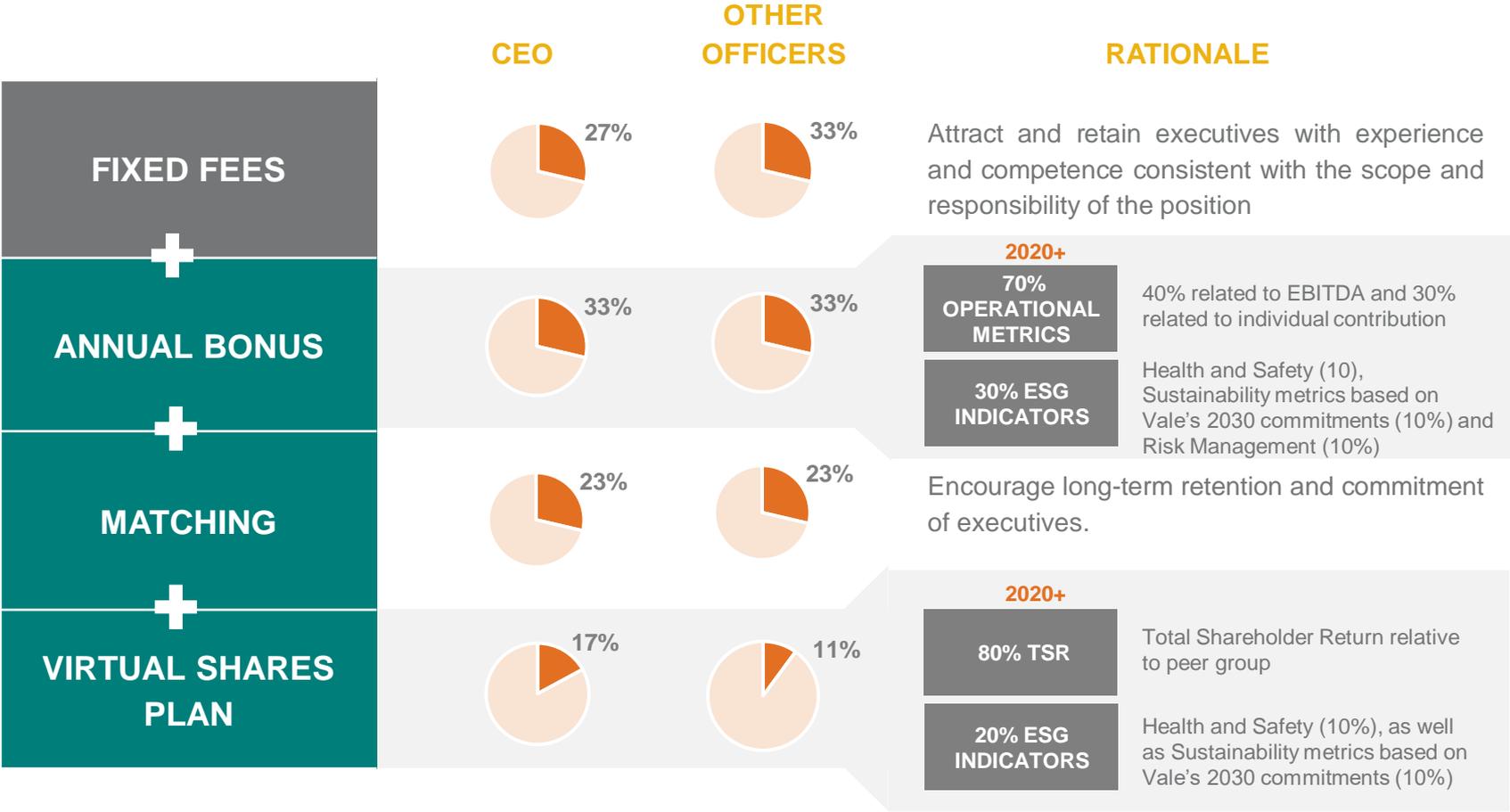
with greater visibility of Culture actions and with a greater belonging, promoting sponsorship

**The Board of Directors is closely assessing the progress through more direct interaction and reviewing cultural indicators**



# Management Compensation

# Compensation system closely aligns management and shareholders interest, as 12% of total compensation is linked to ESG metrics

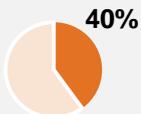
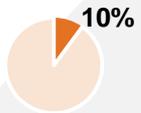
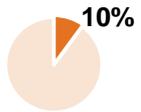
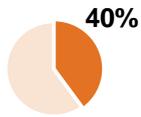


# In 2019, short-term incentive combined Vale's financial target, ESG factors and Brumadinho reparation

*Payout: Cash*

*Cap: 200% of target value*

## EXECUTIVE OFFICERS



**EBITDA<sup>1</sup>**

**SUSTAINABILITY INDICATORS**

**HEALTH AND SAFETY**

**CRISIS MANAGEMENT AND REPARATION**

### **Crisis Management and Reparation**

- *Brumadinho recovery*
- *Legal agreements*
- *Operational continuity*
- *Reputation and management of communication*
- *Organizational and cultural restructuring*

### **Evaluation**

- *By the Board of Directors*
- *Self-assessment of each department*
- *Monthly monitoring from the Sustainability Committee and Personnel and Governance Committee*

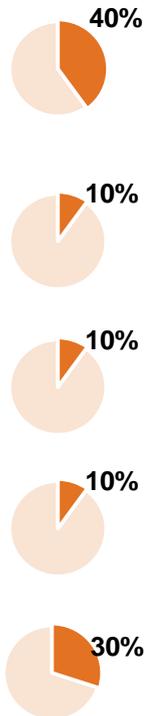
<sup>1</sup> *Ferrous Officer and Base Metals Officer have the target linked to Ferrous EBITDA and Base Metals EBITDA.*

# For 2020, short-term incentive will have a risk component

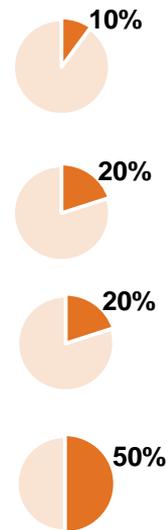
Payout: Cash  
Cap: 200% of target value

<b>EBITDA<sup>1</sup></b>
<b>SUSTAINABILITY INDICATORS</b>
<b>HEALTH AND SAFETY</b>
<b>RISK MANAGEMENT</b>
<b>INDIVIDUAL CONTRIBUTION</b>

## EXECUTIVE OFFICERS



## SAFETY AND OPERATIONAL EXCELLENCE OFFICER



Direct report to the CEO

Authority to stop operations

Variable remuneration independent from operations

Over 400 staff already allocated to the structure

<sup>1</sup> Ferrous Officer and Base Metals Officer have the target linked to Ferrous EBITDA and Base Metals EBITDA.

# As reparation advances and circumstances improved, the Board has been able to resume variable remuneration



Restoring the livelihood and dignity of those affected



Economic and non-economic compensation



US\$ 7.4 billion in provisions and incurred expenses



Expert panel report



Restoring the productive capacity of affected areas



Recovering the environment



27 agreements signed with public entities



Report from Investigation Committee

The resilience of our employees in view of the difficulties and the atypical crisis situation was key for the Company's performance, therefore the payment of the 2019 variable remuneration is a way of thanking and rewarding those who contributed, and continue to contribute to Vale



# **Intensifying ESG agenda**

# Our investor engagement program has evolved

## BOARD DIVERSITY

**We heard** that our diversity should evolve

**We responded by** adding six new members with different backgrounds in 2019

## BOARD NOMINATION

**We heard** that a board election should follow Nomination Committee

**We responded by** promising to establish a Nomination Committee by 2021

## ESG DISCLOSURE

**We heard** that our ESG disclosure could be improved

**We responded by** launching a Portal to address the needs for greater ESG transparency

## COMPENSATION

**We heard** that our C-level should be committed to our 2030 goals

**We responded by** adding 20% ESG factors to our long-term compensation

## GENDER BALANCE

**We heard** that we should increase the % of women in the workforce

**We responded by** defining a goal to double female presence from 13% to 26% by 2030

## CLIMATE CHANGE

**We heard** that we should be bold in our climate changes resolutions

**We responded by** aligning our goal with the Paris agreement and targeting carbon neutrality by 2050 (scope 1 and 2)

# During Vale Day, we launched our commitment to closing main ESG gaps in relation to best practices by 2030

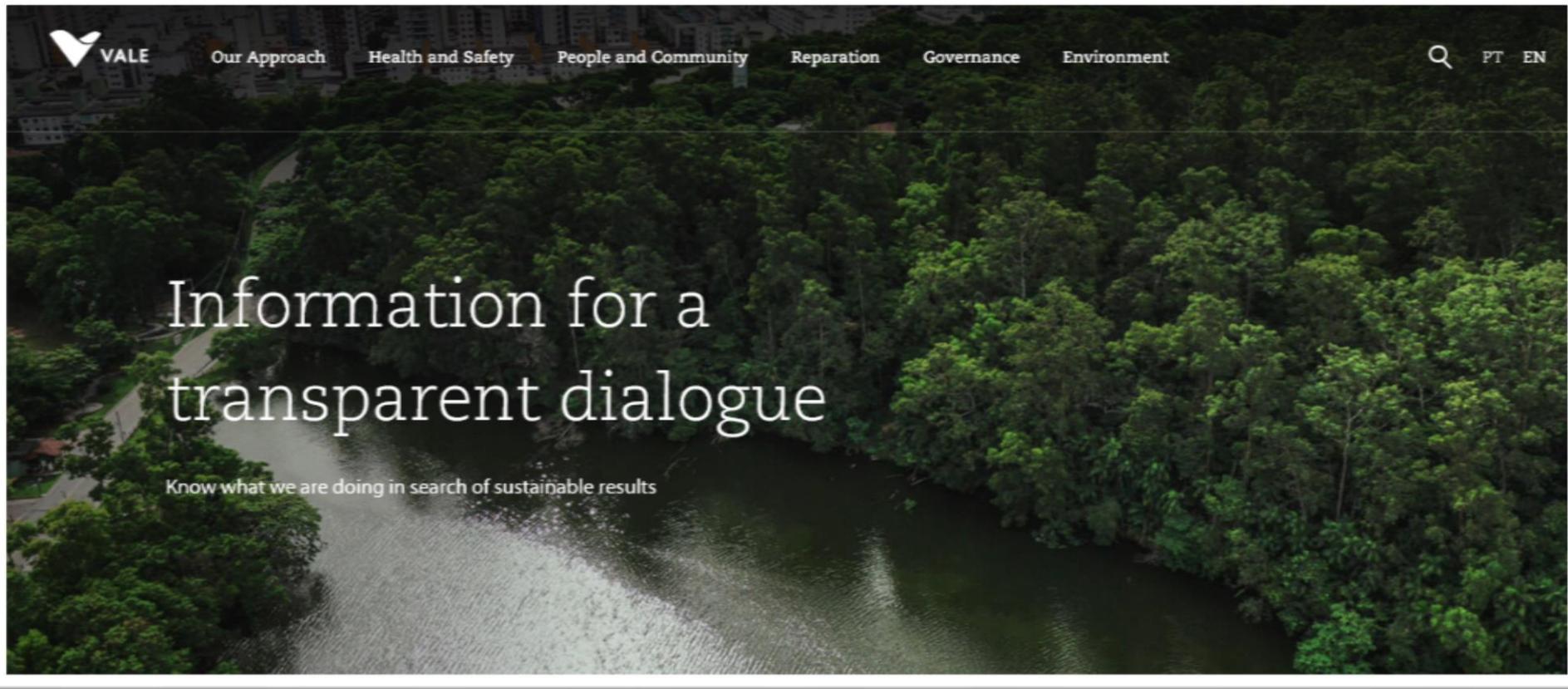
**VALE**

2030 commitments reviewed for **more ambitious goals**

Area	Commitment	Target
Climate change	Reduce greenhouse gas emissions by 46% aligned with the Paris Agreement and be carbon neutral by 2050	New targets
Energy	100% self-generation of clean energy in Brazil globally	New targets
Water	Reduce new water collection by 10%	
Forest	Recover and protect 400,000 ha of degraded land beyond our boundaries	New targets
Socioeconomic contribution	Health care, education and income generation	
ESG gaps	Eliminate main ESG gaps in relation to best practices	New targets

**Lead the transition to a carbon neutral mining**

# New ESG Portal to increase transparency of our sustainability approach



[Click here](#) to find out more

# Vale's proxy statement and materials related to the Meeting of Shareholders were made publicly available last Friday



[Click here](#) to find out more

Our ambition is to become

one of the **safest** and most **reliable**

miners in the world.

