

Vale's ESG agenda





Materiality

The ESG materiality for Vale



Environmental

Climate Change

Biodiversity

Waste

Water

Energy

Business Life Cycle



Social

Brumadinho Reparation

Renova Foundation

Health and Safety

Our People

Human Rights

Impact to Communities



Governance

Board of Directors and Leadership

Control and Management of Dams

Compensation

Ethics and Transparency

Risk Management

Suppliers

2

ESG agenda

Vale has been strengthening the ESG agenda internally



Engagement with stakeholders: 380 interactions around ESG themes and dedicated Proxy season engagement



Vale has structured its action plan around 10 themes, such as: dams; community development; human rights; ethics and corruption; environmental management



Transparency: ESG Portal to address the need for greater transparency on our initiatives

Task Force on Climate-Related Financial Disclosures (TCFD)



ESG methodology: better understanding of the methodology behind ESG providers. Vale has identified challenges and opportunities



Vale adhered to the TCFD recommendations led by the Financial Stability Board, containing guidelines for reporting financial risks and opportunities related to climate change

Vale disclosed in its Sustainability Report (2019) how the company is addressing the TCFD recommendations, including gaps and recent improvements

Active listening shows our commitment

PUBLIC CONSULTATION

We heard that is best practice to have public consultations on policies

We responded by having public consultations on our Human Rights, Climate Change and Sustainability policies

BOARD DIVERSITY

We heard that our diversity should evolve

We responded by adding six new members with different backgrounds

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

ESG DISCLOSURE

We heard that our ESG disclosure could improve

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

AUDIT COMMITTEE

We heard that we should have an audit committee

We responded by establishing the committee in March 2020, composed of experts

BOARD NOMINATION

We heard that a board election should follow Nomination Committee

We responded by establishing a Nomination Committee in July 2020

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 change resolutions

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

3

2030 targets

Vale has reviewed its 2030 sustainability commitments for more ambitious goals

New targets



Climate change

Reduce greenhouse gas emissions by 46% **aligned with the Paris Agreement and be carbon neutral by 2050**



Energy

100% self-generation of clean energy in Brazil **globally**



Water

Reduce new water collection by 10%



Forest

Recover and protect 400,000 ha **500,000 ha** of degraded land beyond our boundaries



Socioeconomic contribution

Health care, education and income generation



ESG gaps

Eliminate main ESG gaps in relation to best practices

Lead the transition to carbon neutral mining

Vale's ambition is to become carbon neutral and to induce the value chain



Where we are:

- ✓ Alignment with the Paris Agreement (33% reduction¹)
- ✓ Carbon pricing USD 50/t
- ✓ Carbon neutrality in scope 1 and 2 by 2050
- ✓ High grade Iron Ore, pellets
- ✓ Class I Nickel
- ✓ Power shift (electrification, alternative fuels, Valemaxes, alternative power sources)

Where we are going:

- 🎯 Scope 3 (shipping, steelmaking) target
- 🎯 Metallica

Energy self-generation by 2025 in Brazil and 2030 globally

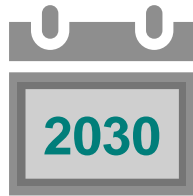


Commitments

Brazil



Globally



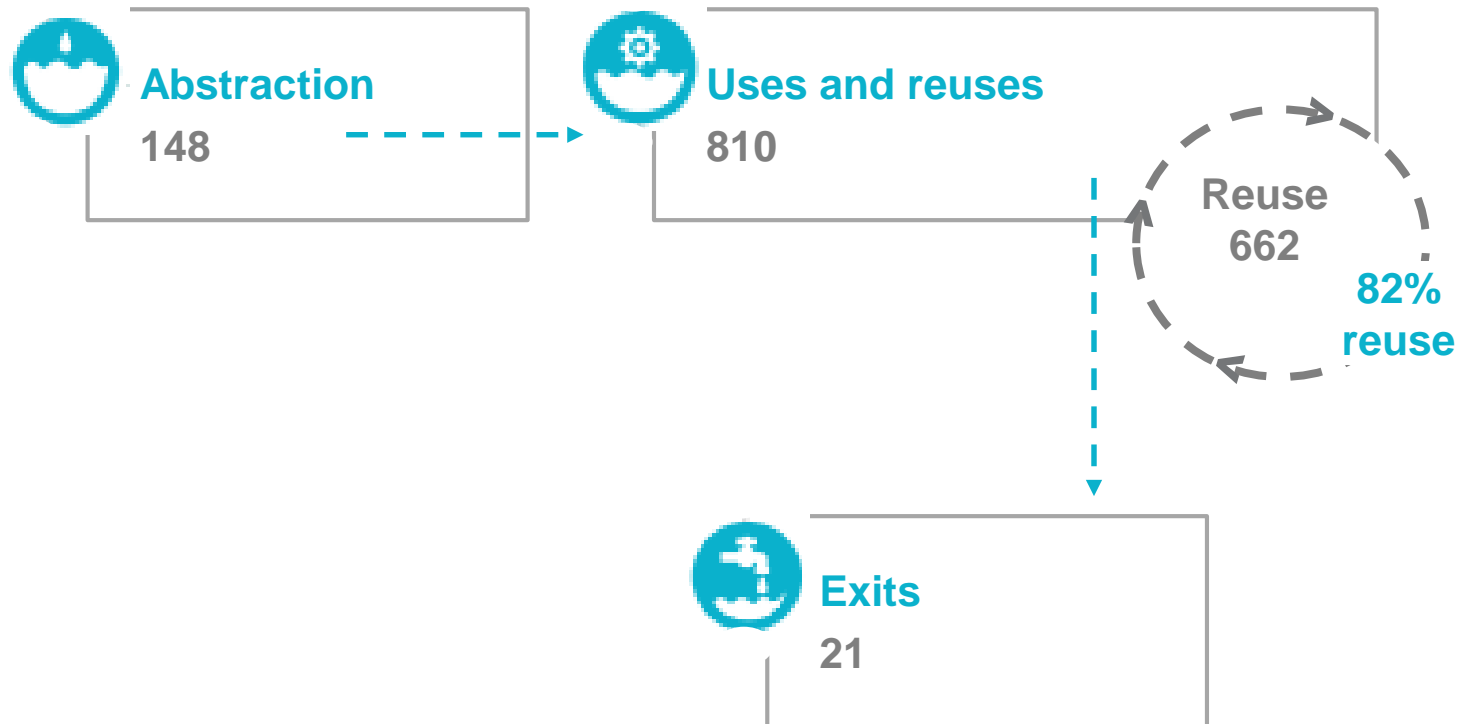
Self-generation from **clean sources** already represents **60%** of Vale's energy consumption in Brazil

Acquisitions and partnerships will lead to **100% self-generation**

Reduce new water collection by 10%



Hydric balance (in million m³)



8.4% reduction already achieved¹



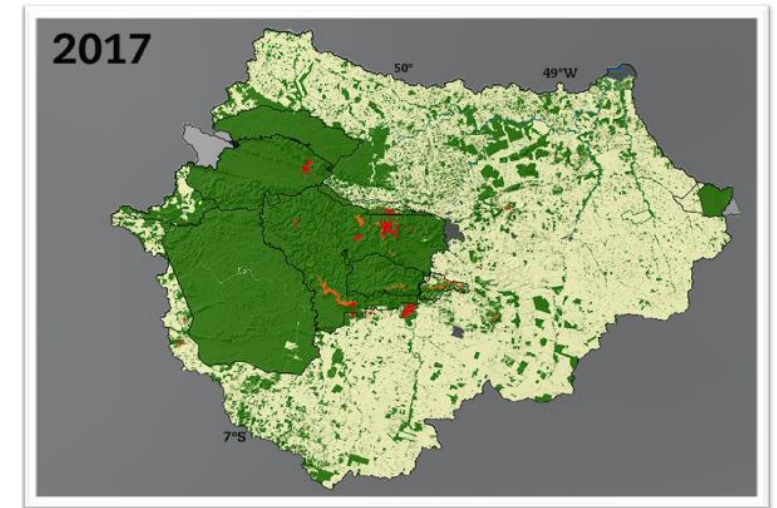
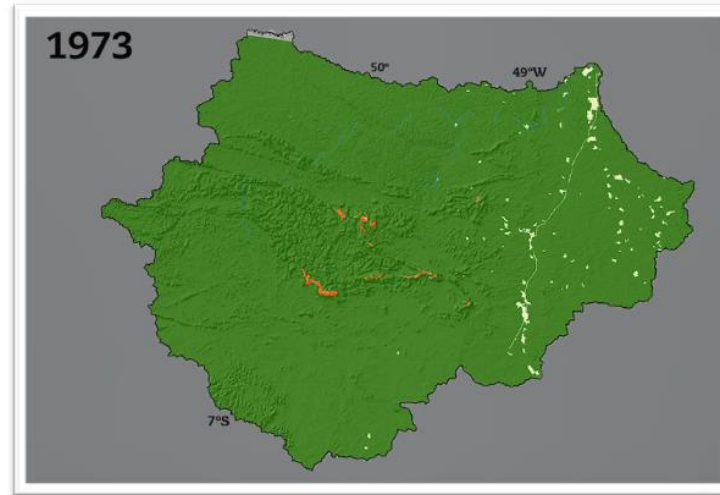
Dry processing reduces water consumption by 93%

¹ Baseline 2017

Recover and protect +500,000 ha of degraded land beyond our boundaries



Vale: **protecting** the **Amazon forest** while mining the largest iron ore mine in the world



 Vale's operations
 Urban area

Vale's commitment is to positively impact society



Support to communities and society in the pandemic

- R\$ 500 million in initiatives in Brazil
- 35 million tests and PPEs to the country and states
- 3 field hospitals, 400 beds
- Hospital equipment, cleaning materials

Relationships with communities

- Over US\$ 190 million on social expenditures in 2019
- Priority for communities in situations of vulnerability
- Revision of the Human Rights Policy in 2019 with public consultation



Parauapebas, first city with mass testing, a partnership with Vale



Casa de Cultura Canaã dos Carajás

We made an extensive gap analysis based on best practices



Gap analysis

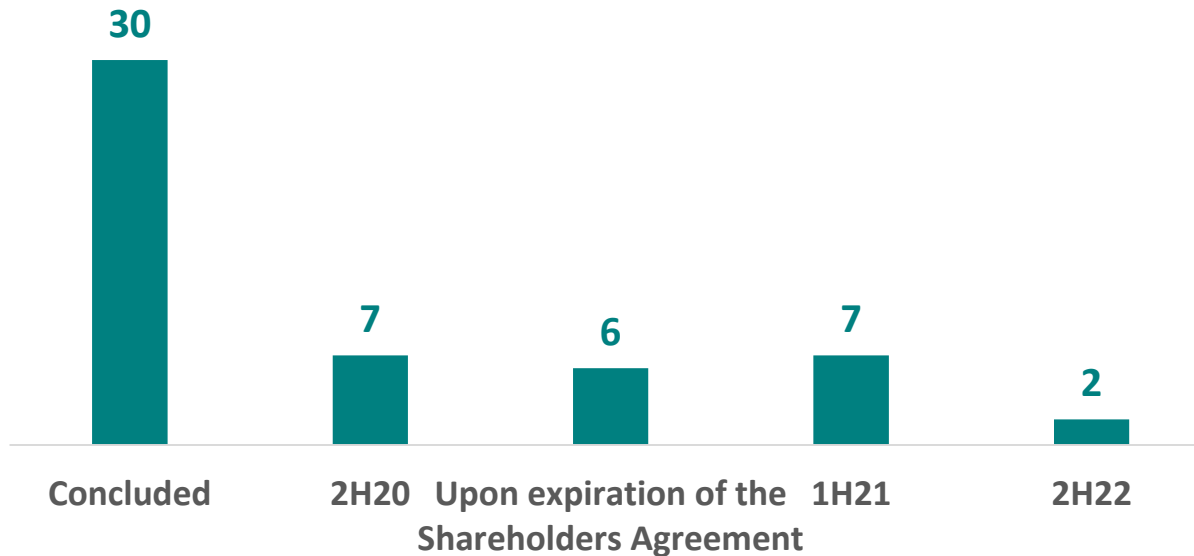


50+ ESG gaps in relation to best practices



ESG Portal gives transparency and accountability on the gaps we will eliminate by 2030



Gaps by conclusion estimate



+4 actions completed this year

-  Increase disclosure of executive compensation
-  Audit Committee
-  Creation of the Nomination Committee (supporting the Board of Directors)
-  Tax Transparency Report

4

Brumadinho reparation

Vale is committed to repair, by 2025, all the damage caused to people and territories, considering the environmental, social and economic aspects

R\$ 3.9 billion
in indemnifications¹

Indemnities

Emergency aid

Civil and Labour

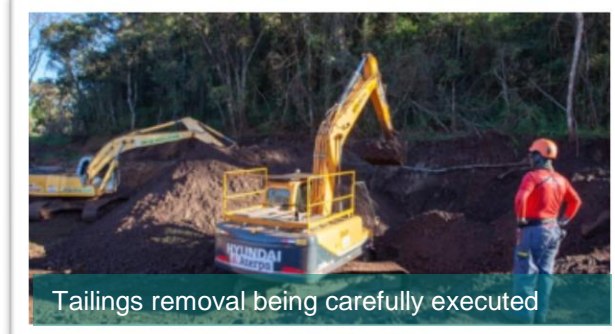
People

+106,000

+7,630

Communities of Minas Gerais receive additional support in the pandemic

R\$ 11.5 billion
in reparation measures and dam de-characterization



5

Challenges ahead

Our challenges ahead



How to **improve our performance** in the ESG agenda?

- Evolve in our **ESG action plan** and deliver our **2030 Commitments**



How to keep on track with **transparency** and **engagement**?

- **Communicate investors** on Vale's new ESG practices
- **Getting feedback**, benchmarking & gap-spotting
- Evaluate **new report** pathway (Tax Transparency, Integrated Reporting, SASB, and others)

The ESG roadmap: where we stand today



Environmental

33% emissions reduction target for scope 1 and 2 by 2030

80% of projects with NPV+ @US\$50/t carbon price

US\$ 2 bi investments in renewable energy

Better disclosure of sustainability KPIs



Social

Brumadinho Reparation

New Pact with Society

Safety evolution: HIRA, VPS
Tailings Management System
enhancements

Goal to increase percentage of
women on the workforce



Governance

Creation of Safety and Operational
Excellence Office

Creation of Chief Compliance Office

Tax Transparency Report

Nomination Committee installed

Sustainability targets in long term
remuneration goals



vale.com/esg