

Vale's ESG agenda

October, 2020



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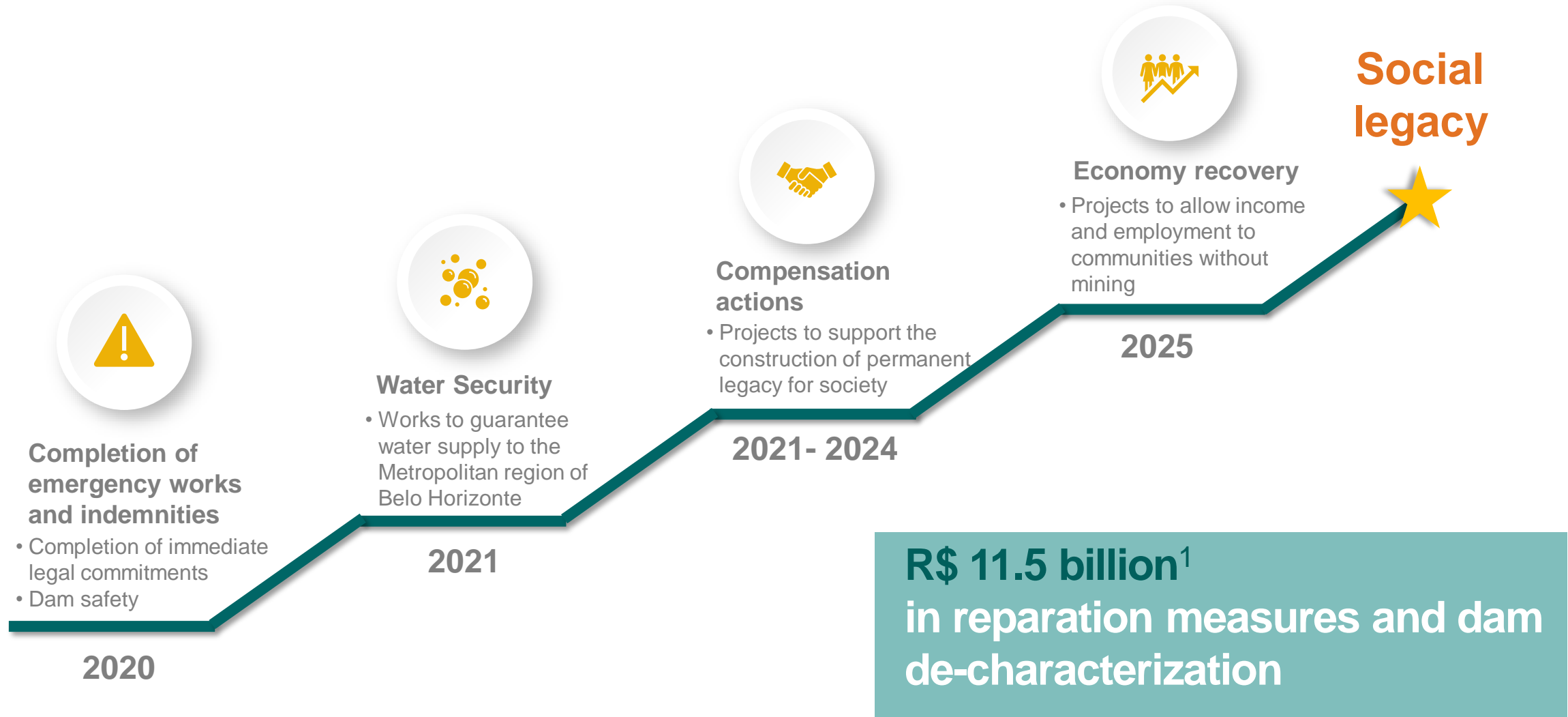
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Disclaimer



Brumadinho reparation

We are progressing with the Integral Reparation Program



¹ As of June 2020.

Since May/19, the Paraobepa River no longer receives sediments

Hydraulic barrier to contain tailings

Tailings containment works were concluded in Jan/2020

Fines retention dike

The water drained are pumped into a treatment plant and returns clean to Paraopeba river



Water treatment plant

Construction of a water collection system on the Pará River to guarantee the municipality's water supply

Pará de Minas pipeline



From topographic surveys and photographic searches, the original course of Ferro-Carvão stream was re-created

Zero Milestone project

Active dialogue with communities and local authorities to invest in community facilities and urban infrastructure improvements

Day care and family health centers

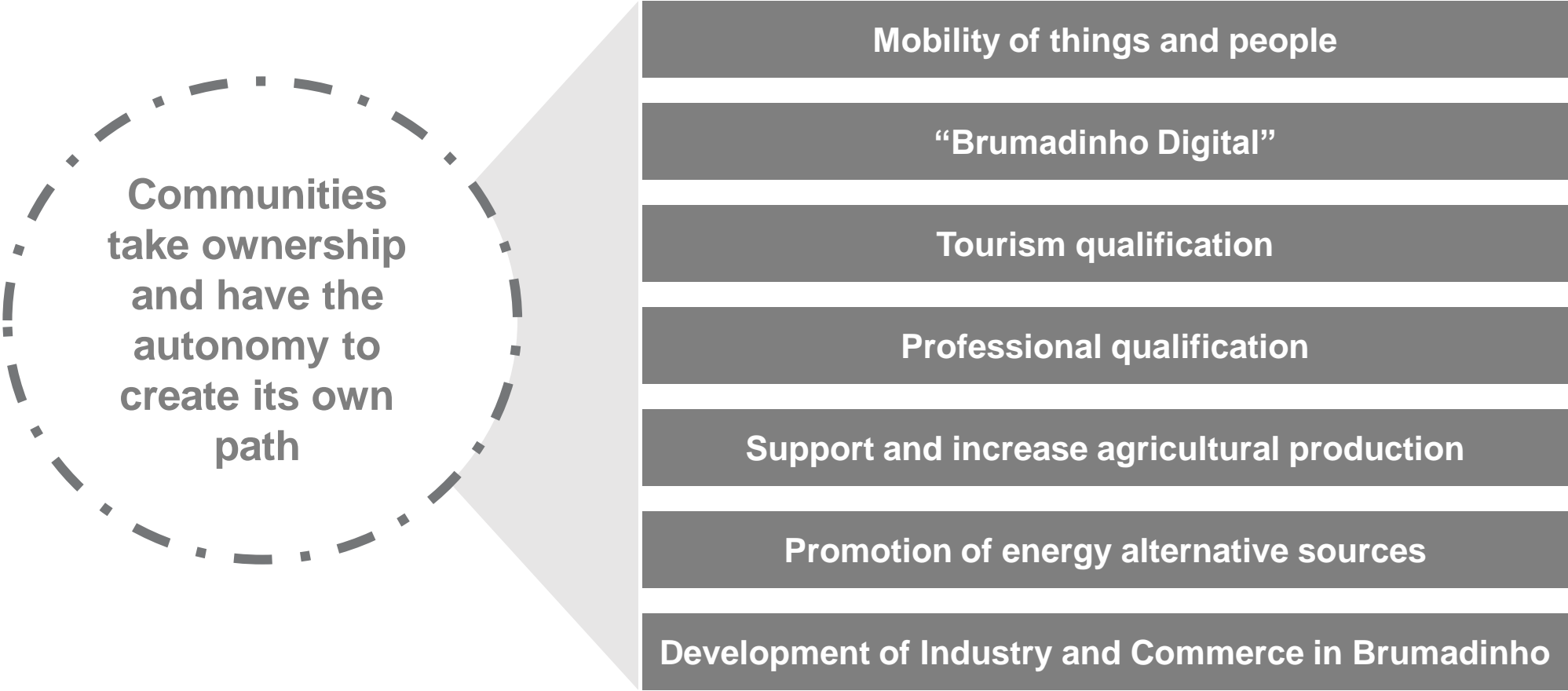
Memorial in tribute to the victims was designed with the families' association



Memorial in tribute to the victims was designed with the families' association



Economic recovery to go beyond mining, promoting the local income and workforce



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Dam safety

We adopt lines of defense model to assure our safety and operational excellence

Business units		Safety & Risk	Internal audit		External sentinels		
Geotechnical operations team	Geotechnical support team	Safety & Operational Excellence Office	Independent Board Committee for Dam Safety	Chief Compliance Officer <small>Internal audit and whistleblower channel</small>	Engineer of Record <small>Dam safety inspections and performance assessments</small>	Independent Auditors <small>Public Prosecutors technical reviews and Tailing Review Boards</small>	Dam Safety Reviews <small>Periodical technical reviews by external engineering company</small>
1 st layer	2nd layer	2 nd line of defense	3 rd line of defense				
1 st line of defense							







Approaching international practices

Works on containment structures are essential to the safety of the communities

Structural reinforcement works on the remaining dams

The first de-characterization, of the 8B dam, was completed in Dec/19

8B dam de-characterized

Vale has completed the containment structure for Sul Superior

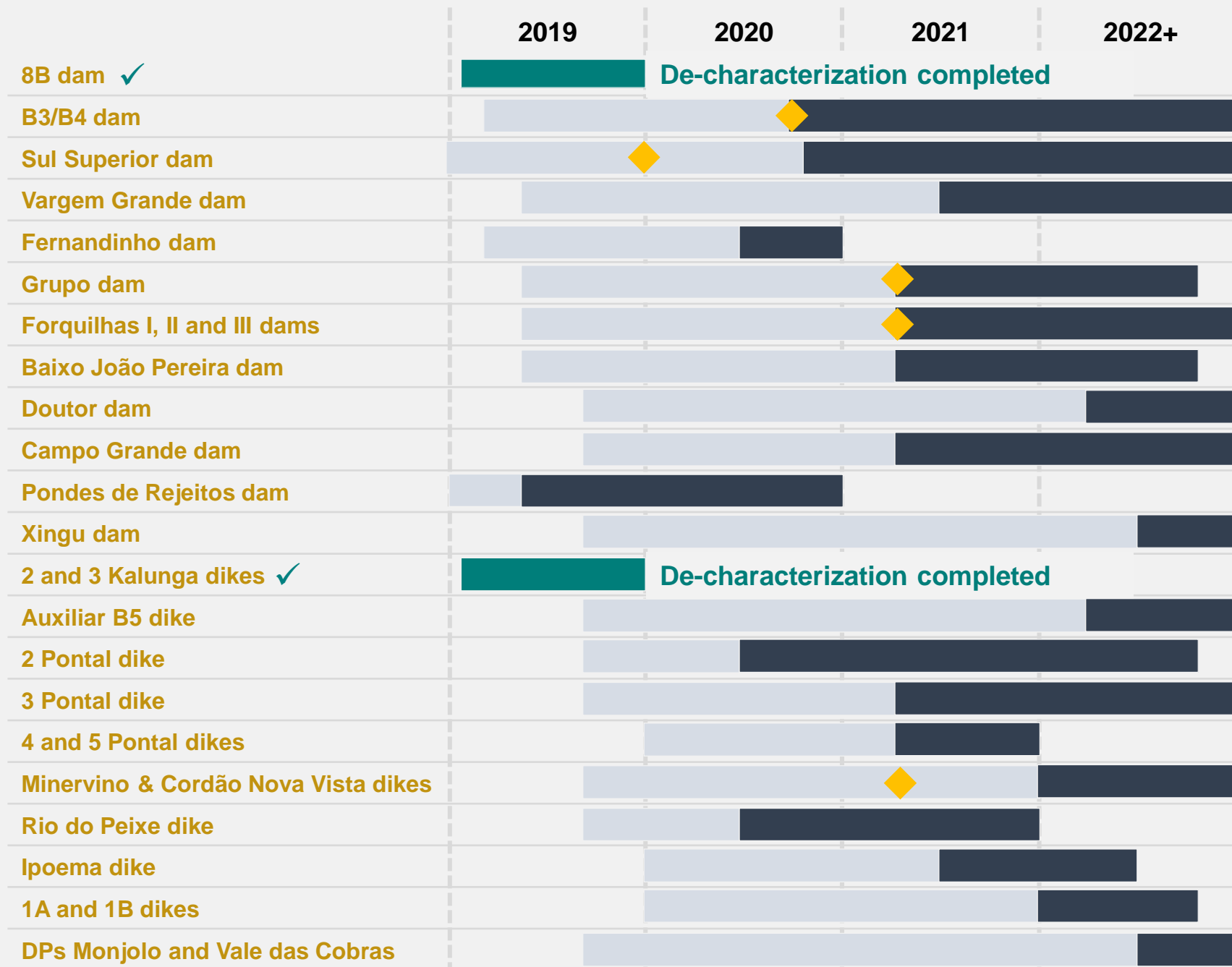
Sul superior back-up dam, delivered in 2020

Despite the COVID scenario, the works on containment structures continued as considered essential to safety

Forquilhas back-up dam, to be delivered in 2021

Focusing on dam safety by evolving with our de-characterization plan

Fernandinho dam de-characterization, to be concluded by the end of 2020



Vale is evolving with
de-characterization
of upstream tailings
dams and other
structures in Brazil

The updated
de-characterization
timeline is available at
www.vale.com/esg

- Engineering / Improving safety factor
- Stabilizing and tailings removal / de-characterization
- Conclusion of backup dams

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ESG agenda

The ESG materiality for Vale



Environmental

Climate Change

Biodiversity

Waste

Water

Energy

Business Life Cycle



Social

Health and Safety

Brumadinho Reparation

Renova Foundation

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

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

Stakeholder engagement has evolved through **active listening**

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 creating the Nomination Committee and a Nomination Policy

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)

2030 sustainability commitments: **more ambitious goals**

New targets



Climate change

Reduce greenhouse gas emissions by 16% **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 100,000 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

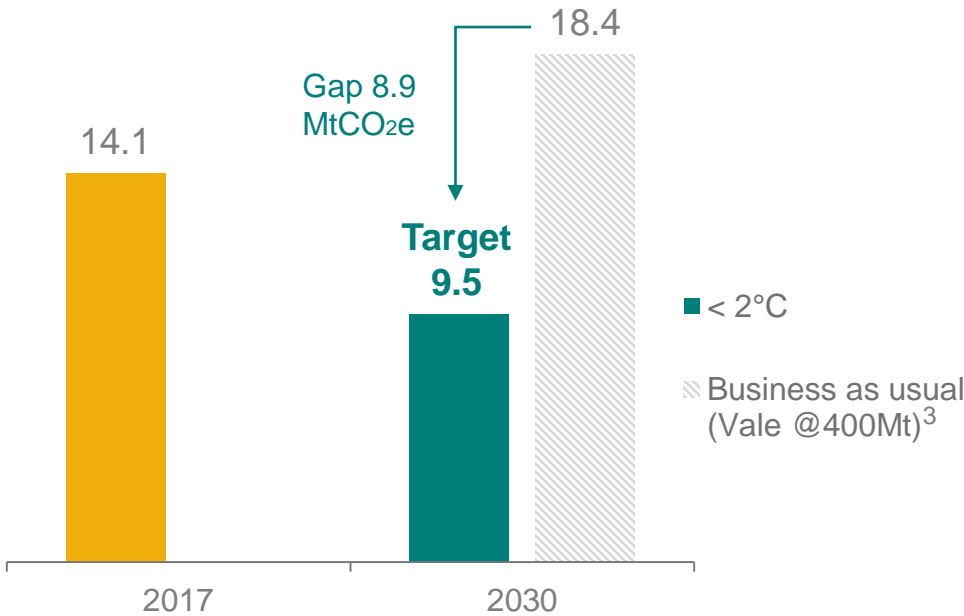
Lead the transition to carbon neutral mining

We raised our climate ambition to drive the transition to a net zero emission company by 2050



Medium-term target to reduce 33%¹ of scope 1 and 2 emissions by 2030

Absolute emissions (MtCO₂e)²



Alignment with the Paris Agreement

Roadmap for 2030 based on NPV+ projects

10% of executive compensation based on low carbon targets

Join Venture to offer solutions to help our clients to reduce CO₂ emissions

¹ Baseline 2017.

² Scopes 1 and 2 trajectory, aligned with the UN Environment "Emissions Gap" range for limiting global temperature rise to 1,5°-2°C.

³ Considering the highest CO₂ emissions level according to Vale's current production master plan (assuming no actions for reduction of emissions) and the 2030 goal.

Energy self-generation by 2025 in Brazil and 2030 globally

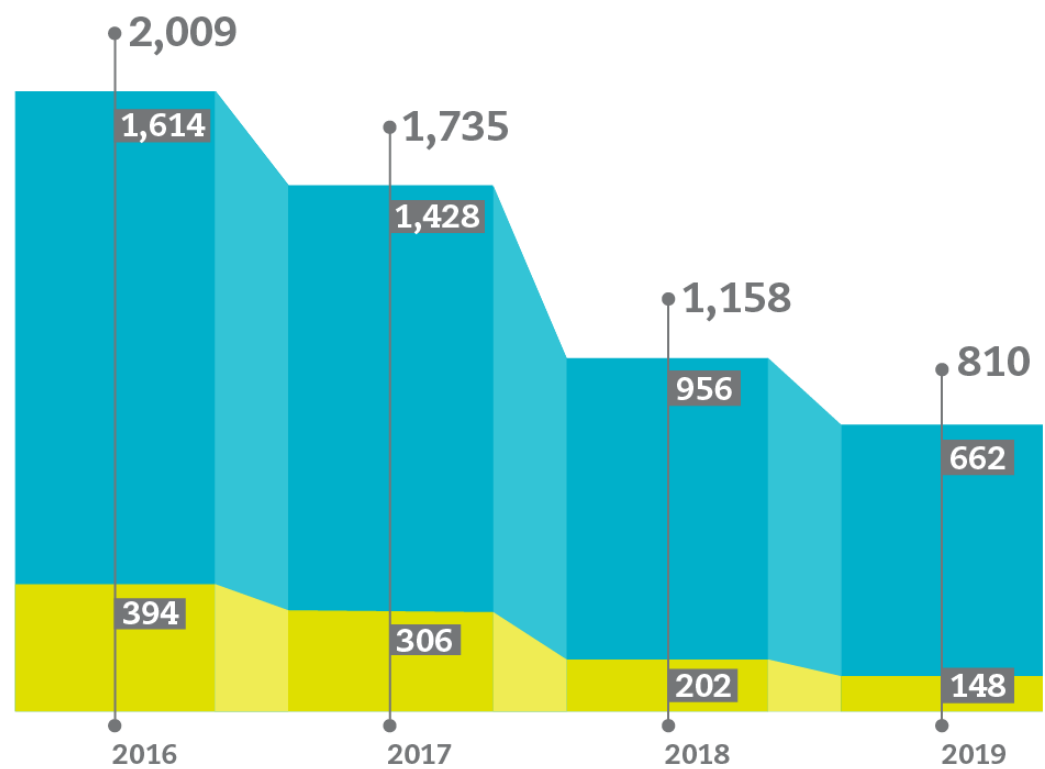


US\$ 2 billion over the next 10 years¹

1.4 GW in wind and solar projects²

67% increase in self-generation³

Vale reuses 82% of its water needs



- Recycled + Reused volume (reuse water)
- Total withdraw - Third Parties (fresh water)



8.4% reduction already achieved¹



Dry processing reduces water consumption by 93%



ICMM Water working group



Water Policy to be approved in Dec/20

¹ Baseline 2017.

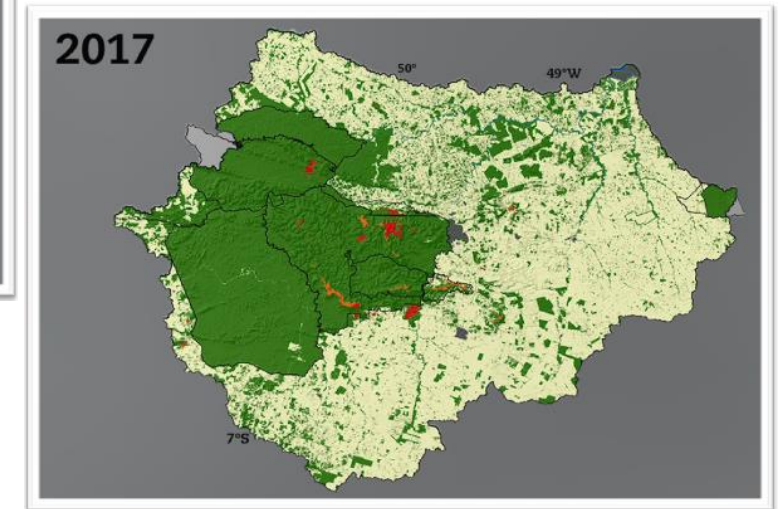
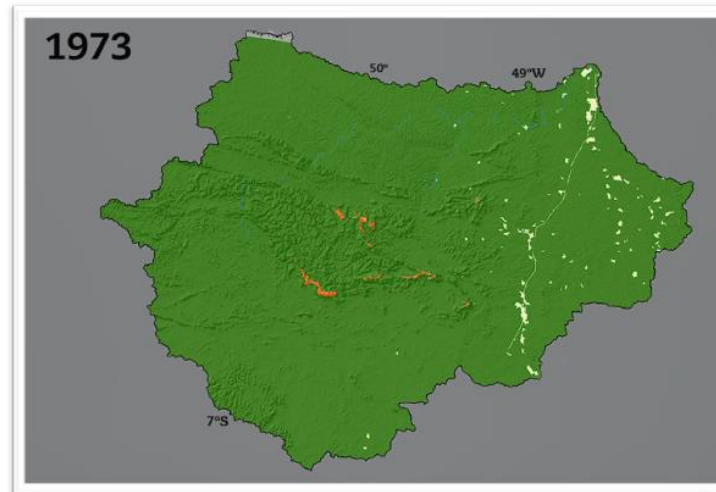
Vale has been in the Amazon for over 30 years, helping to protect approximately 800 thousand hectares of rainforest



Amazon Manifesto

Supporting and promoting:

- Rights and culture of indigenous peoples and traditional communities
- Fight against illegal mining and logging
- Inclusion of forests in the carbon markets
- Environmental protection and restoration



 Vale's operations
 Urban area

Vale has been advancing towards socioeconomic contribution...



370,000 people benefited

6 community centers

92 Initiatives in public services, workshops, sports and leisure activities

Strengthening public safety

Programme on combating violence

20 promoting cultural years manifestations

4 museums and cultural centers

Valuing cultural heritage
Vale Cultural Institute was created in 2020

Public notices for festivities, music, intangible heritage, among others

“Chamada Vale” for cultural projects



...and honoring our *new pact with society* amid COVID-19



500 million reais in initiatives

35 million tests and PPEs¹

3 field hospitals

400 hospital beds

Hospital equipments

Cleaning materials

Investments in R&D

+ others

in Brazil and every location
where we operate



Donations on their way to
Brazilian authorities



First field hospital launched in Maranhão, with
Vale's support



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

Standing up for our stakeholders

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

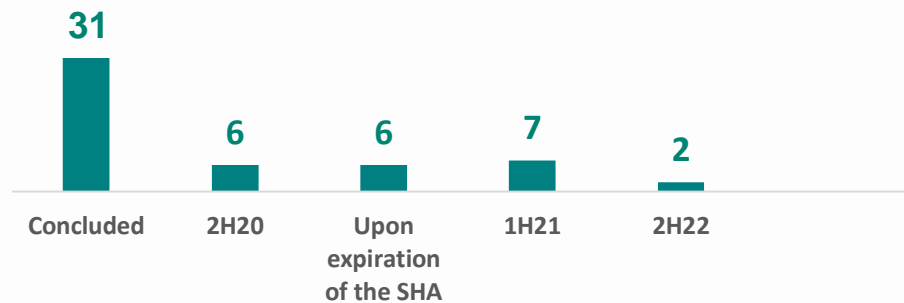


Extensive gap analysis based on best practices



50+
ESG gaps in relation
to best practices

Gaps by conclusion estimate



+5 actions completed this year


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

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Looking ahead

We are advancing with our **ESG agenda** towards best practices

Where we stand today¹

-  Scopes 1&2 targets for 2030, carbon neutral by 2050
-  Amazon Day manifesto
-  Grievance mechanisms integration
-  Goal to double % of women on our workforce
-  Creation of Chief Compliance Office
-  Sustainability targets in long-term remuneration targets

Next steps¹

-  Scope 3 target ambition
-  Sensitivity analysis/stress test related to water
-  Systematic involvement of local stakeholders in the CDP²
-  Foster inclusion initiatives
-  First Board election with Nomination Committee
-  Integrated Reporting

¹ Non-exhaustive measures. ²Community Development Planning.

Vale's ESG Portal

[Click here](#) to visit.

