

Vale's ESG agenda

UBS ESG Series

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Mariana Rocha



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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

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

An aerial photograph showing a construction site for a water collection system. A large black pipe with blue bands is being laid out on a cleared, reddish-brown dirt area. In the background, a river flows through a lush green forest. Beyond the river, there are rolling hills with sparse vegetation and palm trees under a clear blue sky. Construction equipment and a white truck are visible near the riverbank.

Pará de Minas pipeline

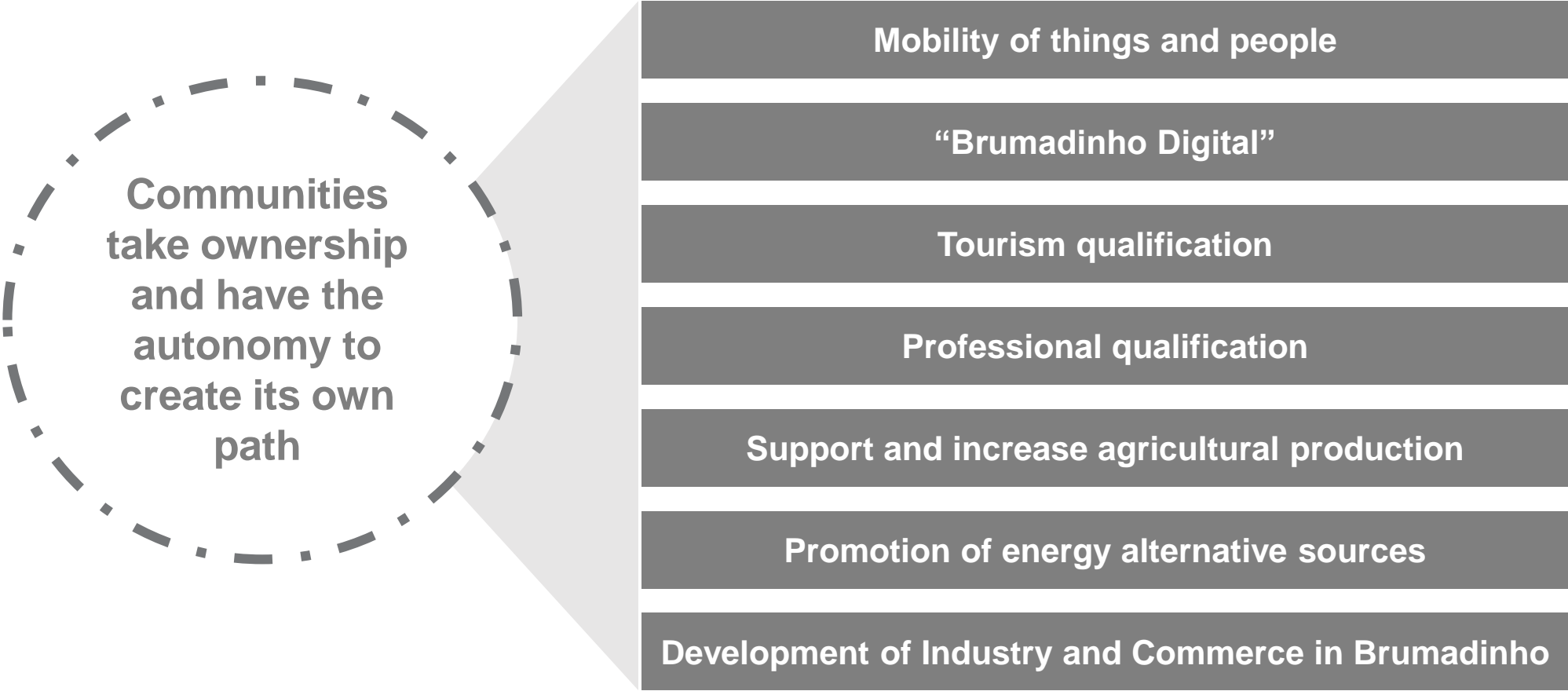
Active dialogue with communities and local authorities to invest in community facilities and urban infrastructure improvements

Day care and family health centers

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



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



Over **US\$ 2.6 billion¹** spent



¹ Excludes dam de-characterization expenditures, approximate amount as of September 30th, 2020. ²e.g. Ground Zero. ³Approximate figures, referring to signed agreements (paid and payable, civil and labour), as of November 26th, 2020. ⁴ Submitted to the municipality of Brumadinho.



In 2019, we added two new pillars to our strategy

Safety and operational excellence

New pact with society

Maximize flight to quality in Iron Ore

Base Metals transformation

Discipline in capital allocation

2

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	2 nd layer	2 nd line of defense	3 rd line of defense				
1 st line of defense							

ICMM
International Council
on Mining & Metals

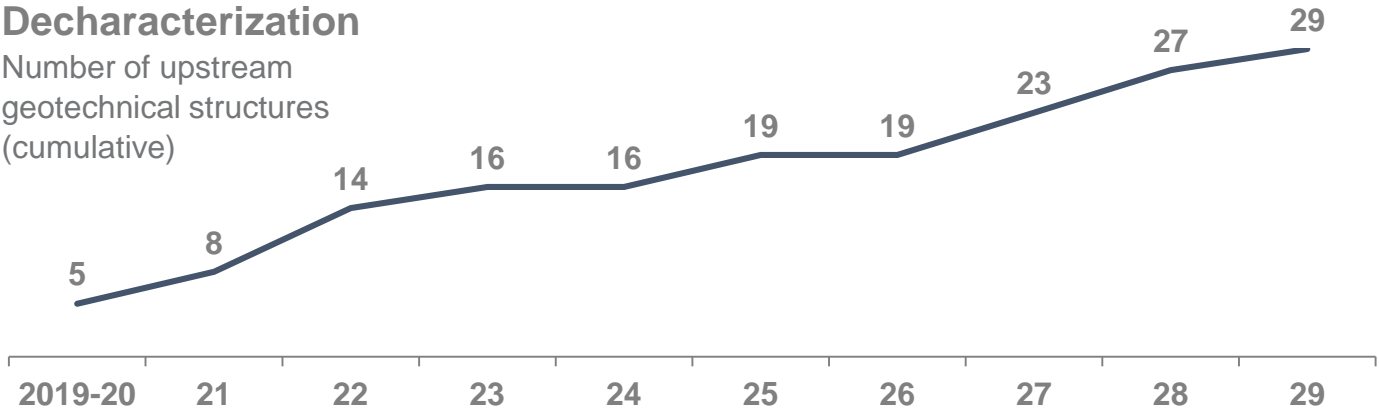


★ Approaching
international practices

Improved overall care and reduction of uncertainties for upstream dams

Decharacterization

Number of upstream geotechnical structures (cumulative)



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

Measures for upstream dams at critical safety conditions

	Sul Superior	B3/B4	Forquilhas
Back-up dam	2020 ✓	2020 ✓	2021
Safety Improvements	2025	2025	2024
Decharacterization	2029	2027	2028

¹ Considering 33 structures at emergency level as of December 2nd, 2020.

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

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

Forquilha's back-up dam, to be delivered in 2021

3

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

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)

Our **New Pact**
remains steady
as we are
vigilant and
responsive to
the needs of
Society

2030 Commitments



Climate change

Reduce GHG emissions
by 33% and be carbon
neutral by 2050



Energy

100% global electricity
consumption of clean energy



Forest

Recover and protect
+500,000 ha



Socioeconomic contribution

Health care, education
and income generation



Water

Reduce new water
collection by 10%



ESG gaps

Eliminate main
ESG gaps

Vale is committed to leading the transition to **net-zero mining** which presents both a significant opportunity and a challenge

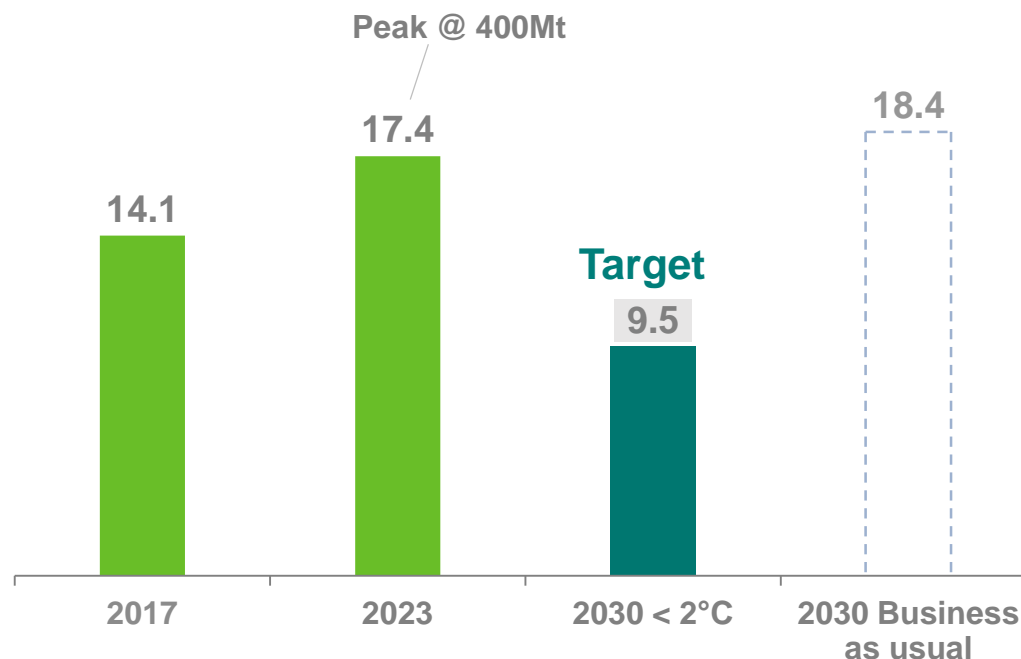


Renewable energy,
biofuels and
electrification

US\$ 50/ton shadow
carbon price

Short (10%) and long-term
(10%) compensation mainly
linked to low carbon agenda

Target to reduce 33%¹ of scope 1 and 2 absolute
emissions by 2030
(MtCO₂e)



¹ Baseline 2017.

Electricity consumption is already 80% renewable and we are on track to deliver our targets

“Folha Larga Sul” project

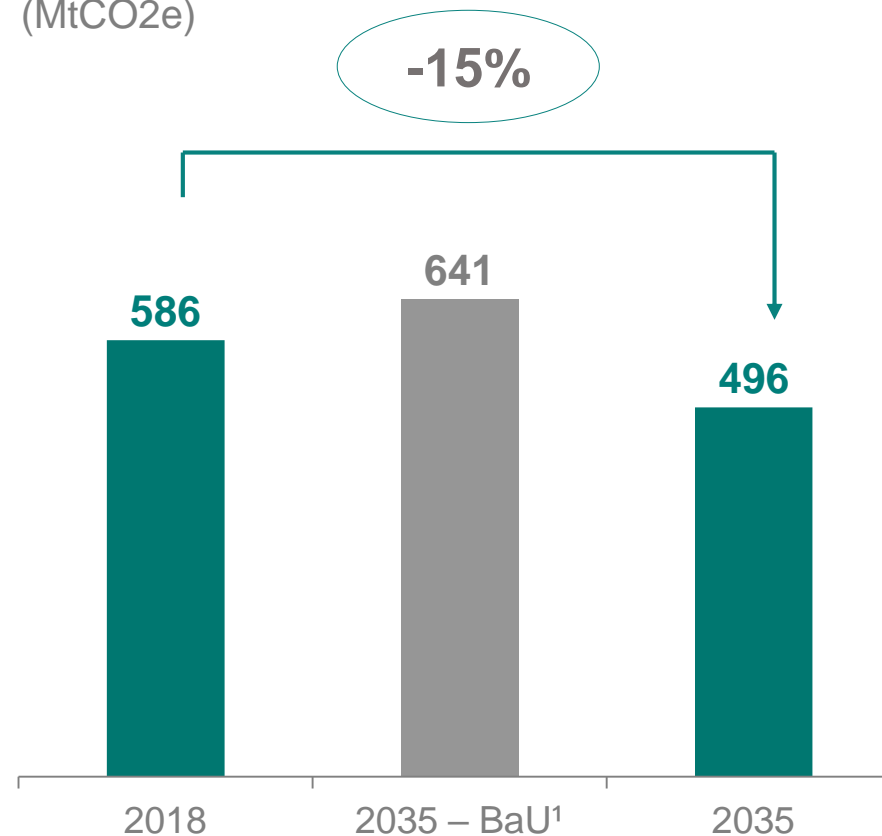
- 150 MW wind farm in Bahia, Brazil
- Full operation since Aug/2020
- Long-term energy supply contract
- Call option
- US\$ 76 million annual cost reduction

“Sol do Cerrado” project

- 766 MW solar energy installed capacity in Minas Gerais, Brazil
- Start up in October 2022
- 13% of Vale's self-production volume
- US\$ 70 million annual cost reduction

Vale's target is
to reduce **15%** of
scope 3 net emissions
by 2035

Absolute scope 3 net emissions
(MtCO₂e)

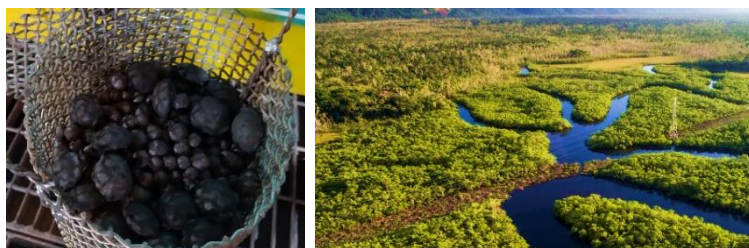


¹BaU stands for business as usual. Scenario based on production of ~400Mtpy iron ore. Reduction target based on Science Based Target Setting tool for Scope 3, including offsets.
Note: Vale is also committed to revising its scope 3 target in 2025 and every 5 years, in order to reevaluate technological developments and global climate policy advancements.

We will foster a portfolio of high-quality *products* and innovative *technologies* to provide scope 3 solutions

Vale's own initiatives

15-25%



- Direct-charge iron ore products
- Higher quality product mix
- New solutions for steelmaking
- Balance addressed by nature-based solutions and credible carbon markets

Partnership & engagement with clients and suppliers

75-85%



- Valemax 2G and Guaibamax fuel-efficient vessels
- Ecoshipping
- Reduce emissions intensity in 40% by 2030 and absolute emissions in 50% by 2050¹



- Engaging with clients to promote new technologies to reduce emissions
- Platforms for partnerships focused on steel decarbonization

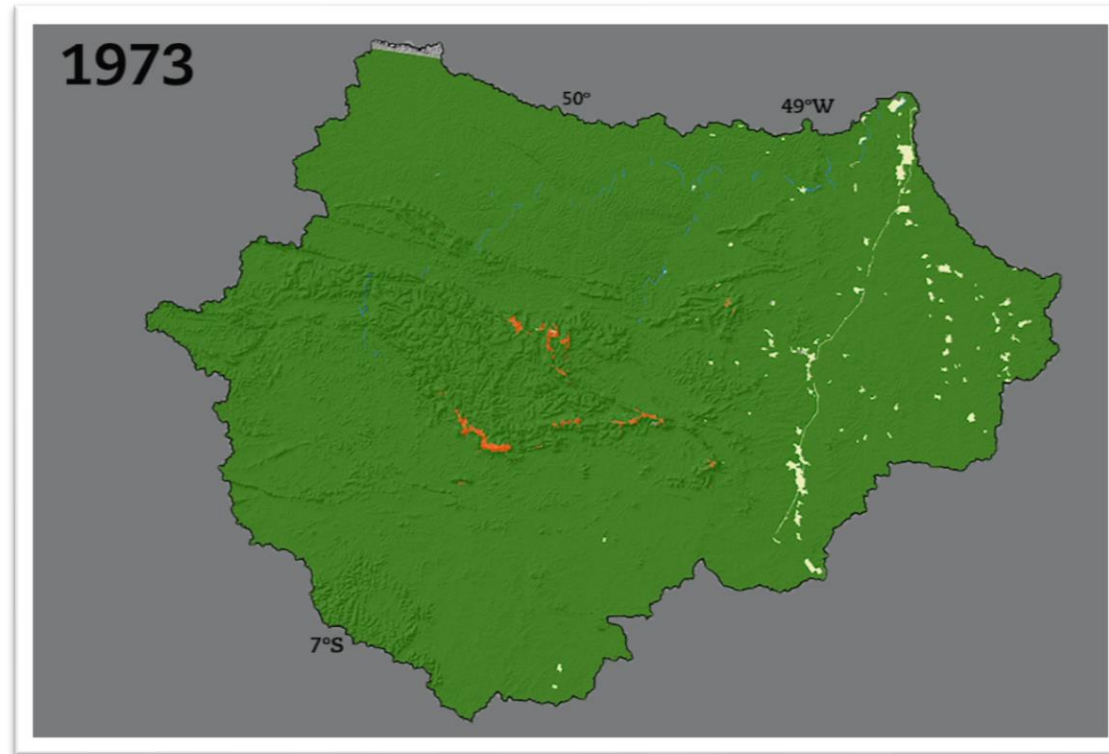
¹Aligned with IMO targets Note: Harvey balls indicate abatement potential.

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

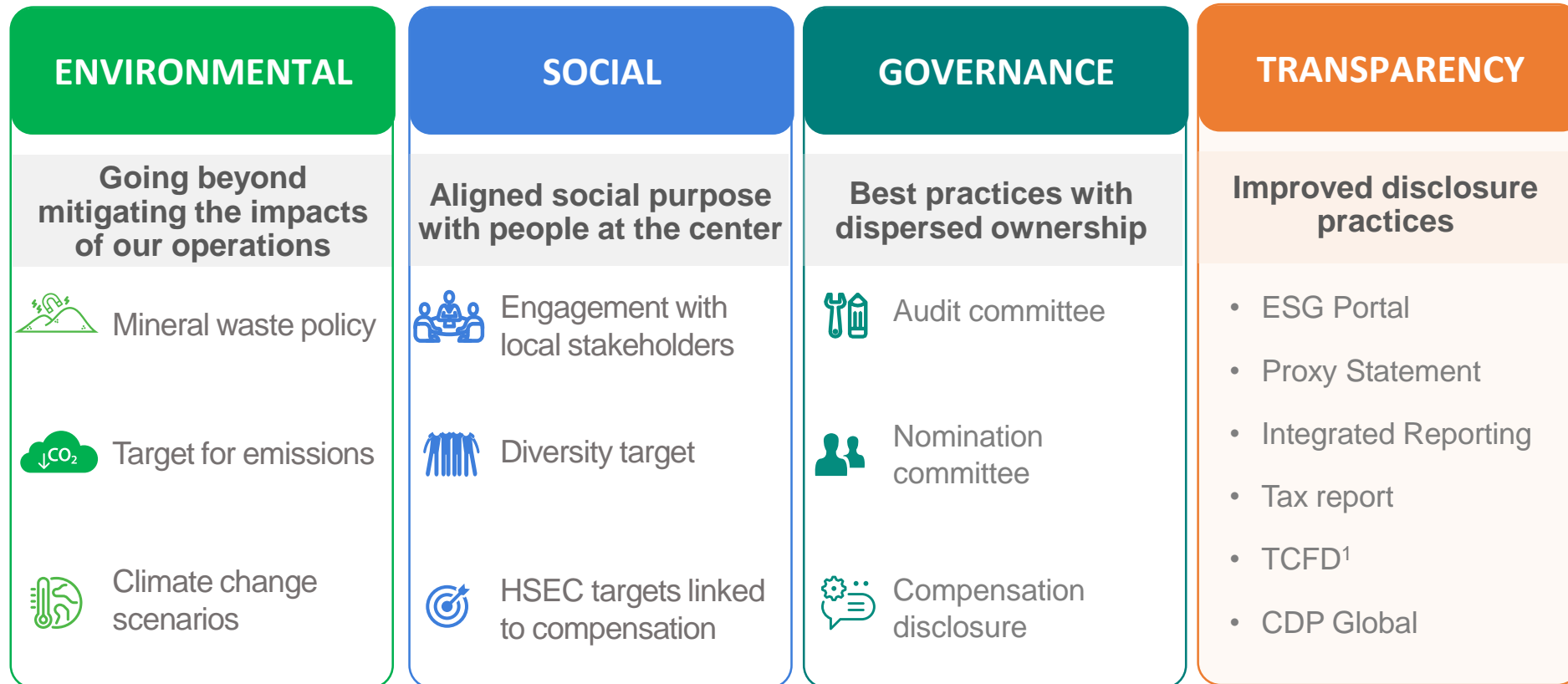


■ Vale's operations
■ Urban area

4

Looking ahead

ESG gaps: mapped gaps will be closed by 2022



↑ Fitch Rating's upgrades
(already investment grade)

↑ Moody's upgraded Vale
to investment grade

↑ Sustainalytics ESG risk rating
(from 54.9 to 42.5)




¹Task Force on Climate-related Financial Disclosures

We are advancing our ESG agenda towards best practices

Where we stand today¹

-  Scopes 1&2 emission targets set for 2030 (-33%), carbon neutral by 2050
-  1,000,000+ ha already protected; 800,000+ ha in the Amazon Forest
-  Vale Cultural Institute launched (one of the largest cultural sponsor in Brazil)
-  US\$100M+ to tackle the new COVID-19
-  Creation of Chief Compliance Officer position
-  ESG targets in long-term compensation (20%)

Next steps¹

-  Foster partnerships for scope 3 target
-  Recover and protect +500,000 ha by 2030
-  Double % of women in our workforce as per today by 2030
-  First Board election with Nomination Committee
-  Integrated Reporting by 2021

¹ Non-exhaustive measures



“We transform natural
resources into **prosperity
and sustainable
development**”

Vale's ESG Portal

[Click here](#) to visit.

