

## **Stellungnahmen von Banken und Unternehmen an Facing Finance zum Bericht “Dirty Profits 9: How much Pain for Corporate Gain? Human rights violations and the role of the financial sector”**

Final Statements from banks and companies to Facing Finance regarding the report “Dirty Profits 9: How much Pain for Corporate Gain? Human rights violations and the role of the financial sector”

- (1) apoBank (p. 1)
- (2) EthikBank (p. 2)
- (3) DWS (p. 2)
- (4) Glencore (p. 3-6)
- (5) Vale (p. 7-21)

### **apoBank, 27.04.2022**

*Stellungnahme der apoBank zur Bewertung ihres Schutzes der Menschenrechte:*

Grundsätzlich gilt: Für die apoBank gehört das Einhalten der Prinzipien des UN Global Compacts zum generellen Selbstverständnis. Aktuell prüfen wir eine formale Unterzeichnung der Prinzipien.

Für das Kundenkreditgeschäft der apoBank gilt, dass wir keine Geschäfte tätigen mit Unternehmen, die gegen international anerkannte Prinzipien im Bereich der Menschen- und Arbeitsrechte, insbesondere die acht Kernarbeitsnormen der ILO, verstoßen (siehe Kreditausschlusskriterien der apoBank: <https://www.apobank.de/ueber-die-apobank/nachhaltigkeit/handlungsfelder/kundengeschaeft-finanzierung-gesundheitsmarkt> )

Für Aktien und Anleihen in der Beratung der apoBank gilt: Werden wesentliche Verstöße von Aktienunternehmen und Anleiheemittenten gegen die Prinzipien des UN Global Compacts erkannt, so stellt die apoBank die Beratung zu den entsprechenden Wertpapieren ein, bis die Verstöße geklärt bzw. behoben wurden.

Für Aktien und Anleihen in der Vermögensverwaltung der apoBank gilt: Im Rahmen der Vermögensverwaltungsdienstleistung werden ebenfalls keine Wertpapiere erworben, über die entsprechende Verstöße gegen den UN Global Compact bekannt sind. Bei Bestandspositionen wird ein für den Kunden schonender Abbau angestrebt. Eine Konkretisierung der Abbaurichtlinien findet derzeit statt.

Basis der Information ist die Analyse des Nachhaltigkeitsdatenanbieters Sustainalytics.

Für Drittprodukte, z.B. Fonds, der apoBank gilt: Eine Sanktionierung auf Fondsebene macht keinen Sinn, weil damit nicht nur das gewünschte Zielinvestment getroffen wird, sondern auch alle weiteren im Produkt enthaltenen Unternehmen, die sich konform verhalten. Um auch hier künftig eine Sanktion zu erwirken, sprechen wir mit der Drittfondsgesellschaft und wirken darauf hin, dass diese die Menschenrechtsverletzungen bei den Zielinvestments des Produktes beanstanden (z.B. durch Verkauf). Dieses Engagement betreiben wir aktuell für alle bestehenden Drittprodukte. Sofern dies bis 2025 nicht zu einer Einbindung der UN-Global-Compact-Prinzipien in das Drittprodukt führt, wird die apoBank diese Produkte aus der Beratung ausschließen. Für neu in der Beratung angebotene Drittprodukte muss jetzt schon der UN Global Compact gelten.

Für Drittproduktpartner, die die Drittprodukte managen, der apoBank gilt darüber hinaus unabhängig vom Produkt: Seit 2021 erfolgt auf Basis der extern eingekauften Daten des Nachhaltigkeitshauses Sustainalytics im Wertpapierbereich ein Monitoring-prozess zu Menschenrechtsverletzungen. Um entsprechende Menschenrechtsverletzungen aufzudecken, werden sowohl Daten über die Unterzeichnung des UN Global Compacts (jährlicher Turnus) als auch über aufkommende menschenrechtsverletzende Kontroversen (ad-hoc) betrachtet.

Als konkrete Maßnahme zur Vermeidung einer Beteiligung an Menschenrechtsverletzungen durch Kapitalanlagen in Wertpapieren und Fonds (Depot B) setzt die apoBank seit 2018 verstärkt Zusatzvereinbarungen ein, mit denen sich die Drittpartner (Produktanbieter) zur Einhaltung der Menschenrechte verpflichten.

Die apoBank verfügt bereits über 24 Verträge mit entsprechenden Klauseln (2020: 23). Durch diese

Vereinbarungen konnte bereits rund 38 % des Depotvolumens im Geschäftsfeld Privatkunden abgedeckt werden (2020: 37 %). Aktuell verfügt die apoBank in Summe über 86 aktive Vertriebsvereinbarungen. Es wurden somit bereits rund 28 % (2020: 27 %) der bisherigen Vertriebsvereinbarungen angepasst beziehungsweise ergänzt.

### **EthikBank, 12.05.2022**

Gerne kann ich Ihnen bestätigen, dass die EthikBank aufgrund ihrer strengen Ausschlusskriterien jegliche finanzielle Beziehungen zu den im aktuellen Dirty Profit Report 9 zum Thema Menschenrechte und Banken untersuchten Unternehmen ausschließt und auch in Zukunft ausschließen wird. Ziel der EthikBank ist es, durch ihre Anlagepolitik Einfluss auf eine nachhaltige Wirtschaftsweise zu nehmen. Untersuchungen, wie die des "Dirty Profit Reports", sind für uns daher ein wichtiges Instrument für unser hauseigenes Ethik-Research. Unternehmen und Staaten, die durch Menschenrechtsverletzungen und Umweltverschmutzung auffällig geworden sind und somit auf der Facing Finance Liste kontroverser Unternehmen stehen, werden nicht in unser Anlageuniversum aufgenommen. Auch für Kundinnen und Kunden liefern diese Untersuchungen eine wertvolle Orientierungshilfe und versetzen sie somit in die Lage, mit ihren ökonomischen Entscheidungen, den gesellschaftlichen Wandel hin zu einer faireren Wirtschaftswelt zusätzlich voranzutreiben. Die EthikBank ist Facing Finance sehr dankbar für diese wichtige Aufklärungsarbeit."

Katrin Spindler, Vorstandin der EthikBank

### **DWS, 17.05.2022**

Die DWS unterliegt dem Human Trafficking and Modern Slavery Act, aus dem unsere Sozialstandards und Regeln zur Achtung von Menschenrechten hervorgehen.

Für aktiv-gemanagte DWS-Fonds, die der EU-Regulierung unterliegen, bietet die DWS zwei verschiedene Arten von Artikel-8-Produkten nach SFDR an, die einen der folgenden ESG-Filter anwenden: „DWS Basic Exclusions“ oder „DWS ESG Investment Standard“. Der „DWS Basic Exclusions“-Filter stellt unseren grundlegenden Ansatz dar, bestimmte Ausschlüsse (in Bezug auf Emittenten mit übermäßigem Klimarisiko, Normverletzer oder Emittenten mit einer Beteiligung in kontroversen Sektoren) in die Anlagepolitik des jeweiligen Fonds aufzunehmen. Der „DWS ESG Investment Standard“-Filter wendet im Vergleich zum „DWS Basic Exclusions“-Filter erweiterte Ausschlüsse an und fügt einen „ESG Quality Assessment“-Ansatz (Qualitätsbewertung) hinzu, der Investitionen in Emittenten umfasst, die aufgrund ihrer hohen ESG-Qualität im Wettbewerbsvergleich ausgewählt wurden (sogenannter „Best-In-Class-Ansatz“).

Zu einzelnen Unternehmen und den mit ihnen verbundenen individuellen Dialogen können wir uns nicht äußern. Generell ist der Austausch mit investierten Unternehmen integraler Bestandteil des DWS-Investmentprozesses auf der aktiven Investmentplattform. Wir bewerten Unternehmen einzeln. In unserer treuhänderischen Funktion ist uns der konstruktive Dialog mit Unternehmen wichtig, um Verbesserungen von Nachhaltigkeitsfaktoren anzumahnen und umzusetzen. Wenn wir nicht investiert sind, können wir nichts bewirken. Die meisten Unternehmen stehen dem kritisch-konstruktiven Austausch abgeschlossen gegenüber. Im Rahmen dieses Ansatzes kann in kritischen Situationen, die ESG-Faktoren oder Reputationsrisiken einzelner Unternehmen betreffen, ein Engagement gestartet und falls nötig weiter eskaliert werden, bis hin zur Veräußerung der entsprechenden Unternehmen. Zusätzlich zum regelmäßigen Austausch mit Vorständen der investierten Unternehmen haben wir 2021 581 Engagements mit 471 Unternehmen zum Thema Umwelt, Soziales oder Unternehmensführung durchgeführt, das entspricht einem Anstieg um fast 28 Prozent im Vergleich zum Vorjahr.

In Fällen, in denen wir keine Fortschritte erkennen können, setzen wir unsere Stimmrechte entsprechend ein oder äußern uns auch öffentlich im Rahmen der jeweiligen Hauptversammlung kritisch zu ausbleibenden Veränderungen. Dabei werden die Stimmrechte aller aktiven und passiven Fonds der DWS vereint. In einzelnen Fällen kamen wir zu dem Entschluss, dass wenig Potenzial erkennbar war, im Unternehmensdialog wichtige Nachhaltigkeitsfaktoren zu verbessern. Wenn die Nachhaltigkeitsrisiken dieser Investments überwogen, wurde eine Veräußerung der Bestände in betreffenden Publikumsfonds umgesetzt. Weitergehende Informationen zu unseren Erfahrungen und Ergebnissen können außerdem in unserem öffentlich verfügbaren [Active Ownership Bericht](#) nachvollzogen werden.

# GLENCORE

**Glencore plc**  
**Baar, Switzerland**  
**13 May 2022**

## Response To Dirty Profits Report

We note Facing Finance's publication of its Dirty Profits Report (the Report), which includes a case study on Glencore's industrial activities in the Democratic Republic of Congo (the DRC).

We appreciate Facing Finance providing Glencore with the opportunity to review and comment on this case study ahead of the Report's publication, as well as including details from the response we provided and acknowledging the steps we have taken in complex, multi-stakeholder environments.

### A positive presence in the DRC

Glencore has been present in the DRC for nearly 15 years and today operates two mines in the DRC, the Kamoto Copper Company (KCC) and Mutanda Mining (MUMI).

The report's allegation that "Glencore loots the DRC's minerals resources" is incorrect. Our presence has contributed to the establishment and expansion of a robust extractive sector, created thousands of jobs, supported the development of the local economy and delivered socio-economic benefits to the Katanga region.

To date, Glencore has invested over \$7.5 billion in the DRC and paid nearly \$5 billion in taxes and royalties since 2015. Glencore fully complies with all its tax payment obligations, as well as providing detailed disclosure on these payments in our annual payments to governments report. During 2021, we paid \$856 million in taxes and royalties to the DRC government. Together, KCC and MUMI employ over 15,000 employees and contractors.

### Committed to progressing our respect for human rights

We uphold the dignity, fundamental freedoms and human rights of our people, communities and others potentially affected by our activities. We are committed to implementing the United Nations (UN) Guiding Principles on Business and Human Rights and uphold the UN Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We support the UN Global Compact and follow the principles set out in OECD Guidelines for Multinational Enterprises. These commitments are reinforced in our Code of Conduct and Group Human Rights Policy.

We seek to identify, understand, and manage our human rights challenges, and to continuously improve our performance. We recognise the complexities and challenges of identifying and managing human rights risks across different geographies and cultures. Our stakeholders' expectations on how we demonstrate respect for

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human rights are evolving rapidly and we continue to work on implementing effective processes to improve our performance.

Glencore takes ethics and compliance matters very seriously. We are co-operating fully with the various authorities investigating our business. Our response is managed by the Board's Investigations Committee, which is led by Kalidas Madhavpeddi, our Chair, and comprises non-executive directors.

#### A responsible operator

'Responsibility' is one of our core corporate values, which reflect our Purpose and define what it means to work at Glencore. Our values are at the heart of our culture and the way we do business.

We do not believe operating in complex environments absolves us of our responsibility to our workforce, the communities living around our industrial assets or to the country in which we are present.

As a major producer and marketer of cobalt in the DRC, we support efforts to establish greater transparency in the value chain, and actively participate in third-party assurance of our responsible sourcing approach under the Responsible Minerals Initiative. The findings from these assurance processes are available on our [website](#).

Our ASM management plan in the DRC includes community engagement strategies to address local context factors that underpin issues in the ASM sector. Its objectives include supporting children's education and alternative livelihoods through projects such as:

- the hosting of summer camps. Since 2016, over 55,000 children have participated in KCC's summer camps. The camps aim to keep children out of mining activities during school holidays, by providing them with meals and activities. During the camps, KCC highlights the dangers of ASM;
- the construction of 10 schools and renovation of 14 schools, and providing equipment to 18 schools;
- building a home for orphans and abandoned children to deter them from ASM activities; and
- the provision of equipment and finance for alternative livelihoods to various organisations benefiting over 2,000 individuals with more than 12,000 dependents during 2021. These include:
  - creating cooperatives to provide goods and services to mining companies in Kolwezi, including Glencore and its contractors;
  - training and development in skills such as carpentry, mechanics, building and welding;
  - provision of equipment, seeds, fertilisers, and training to farming cooperatives; and
  - temporary projects targeting ex-ASM miners, including drain clearance in Kapata in 2021, that employed over 150 people.

We also continue to support international initiatives and forums aimed at developing a responsible ASM cobalt sector in the DRC. We are a founding member and an active participant in the Fair Cobalt Alliance (FCA), which brings together supply chain actors and stakeholders to drive the development of fair cobalt by supporting the

professionalisation of ASM site management: making mines safer, minimising environmental impact, and creating dignified working conditions for men and women working at the mines.

#### Transparent payments to governments

We pay all relevant taxes, royalties and levies required by local and national regulations in our host countries. The payments we make to the governments of the countries in which we operate include local, national, sales and employment taxes, government royalties, and licence and permitting fees.

In addition, we contribute to local economies through our use of local suppliers, wages and employee benefits, voluntary support of socio-economic initiatives such as health and education projects and infrastructure development.

We understand the detrimental impact of corruption on the capacity for regions and nations to fully realise rights and benefits due to them from resource development. We support efforts to combat corruption including through transparency initiatives.

We welcome fiscal transparency, as it encourages the responsible management of revenues from extractive activities. We disclose taxes, fees, and royalties related to mineral extraction paid to governments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

We are a supporter of the EITI and its principles of transparency and accountability. We participate in in-country forums supporting the EITI, and, at a corporate level, in the EITI Commodity Trading Transparency working group.

#### Further information

Further information on our activities in the DRC are available on our [website](#). We have developed a 360-degree tour our KCC industrial asset, which shows how we responsibly source cobalt. This is available on our website, [here](#).

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#### Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 responsibly-sourced commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, we produce, process, recycle, source, market and distribute the commodities that enable decarbonisation while meeting the energy needs of today.

With a strong footprint in over 35 countries in both established and emerging regions for natural resources, Glencore's industrial activities are supported by a global network of more than 30 marketing offices. Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 135,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

Glencore recognises our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement. Our ambition is to be a net zero total emissions company by 2050. In August 2021 we increased our medium-term emission reduction target to a 50% reduction by 2035 and introduced a new short-term target of a 15% reduction by 2026.

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## Vale Response to Facing Finance’s publication “Dirty Profits 9”

### To Vanessa Müller and all other parties that were involved in this publication:

Thank you for the opportunity to comment on your publication. We understand that open and transparent dialogue, internally, and active listening and open doors to all stakeholders externally - these are critical elements to our transformation.

First, and most fundamentally, is that we will never forget the tragedies of Brumadinho and Mariana. The grave consequences of those events shook all of us to our core. Their impacts, and the critical lessons learned since then, have driven us to invest even more to continuously improve our organization’s mindset, approach, and governance.

The company is committed to making January 25th, 2019, an inflection point in its history. As such, we focused completely on the priorities at hand: prompt, adequate and thorough reparations process, and continuous improvement in culture, governance, risk management, always with constructive relationship with society.

We have provided below our responses to the issues raised in the publication and welcome anyone to see further details in our [ESG Portal](#).

<b>1. EFC – Carajás Railroad</b> .....	<b>2</b>
1.1. Licensing Process for Duplication .....	2
1.2. Water Quality and Access .....	2
1.3. Vale and Indigenous Peoples.....	3
1.4. Conservation of the Amazon .....	3
1.5. Piquiá de Baixo .....	4
1.5.1. Particulate Matter Measurements .....	4
1.5.2. Works on the New Piquiá da Conquista .....	4
1.5.3. Community Engagement .....	4
1.5.4. Gender Issues .....	4
1.5.5. Other Social Projects .....	5
<b>2. Brumadinho</b> .....	<b>5</b>
2.1. Emergency Aid and Support.....	5
2.1.1. Searches for the Victims.....	6
2.1.2. Support to Individuals Affected .....	6
2.1.3. Indemnity Agreements.....	6
2.1.4. Construction of the Memorial.....	7
2.2. Integral Reparation Agreement .....	7
2.3. Relocation .....	7
2.4. Cause of Rupture .....	8
2.5. Commitment to non-repetition .....	9
2.5.1. Dam Decharacterization .....	9
2.5.2. Alternatives to Tailing Dams .....	9
2.6. Water Quality and Access .....	10
2.6.1. Emergency Measures and Access to Water.....	10
2.6.2. Recovery of the River .....	11
2.6.3. Tejuco.....	11
2.7. Jangada Mine Operation .....	12
<b>3. Capital Flows</b> .....	<b>12</b>
<b>4. Vale’s Commitment to Sustainable Mining</b> .....	<b>12</b>
4.1. Community Development .....	12
4.2. Private Social Investment .....	12
4.2.1. Vale Foundation.....	13
4.2.2. Vale Fund .....	13
4.2.3. Vale Cultural Institute.....	14
4.3. Vale’s Commitment to Conservation and Biodiversity .....	14
4.4. Vale’s Water Resource Management .....	15

## 1. EFC – Carajás Railroad

Please review the details below with updated information regarding the EFC railroad. EFC extends for 997 km from Carajás mines, in the Brazilian state of Pará, to our Ponta da Madeira maritime terminal, in São Luis, Maranhão state. In 2020, the EFC railroad transported 192,381 thousand metric tons of iron ore and 13,887 thousand metric tons of other cargo. In 2020, EFC had a fleet of 229 locomotives and 22,185 wagons, which were operated by Vale and third parties.

Please see page 73 | Form 20F: <https://api.mziq.com/mzfilemanager/v2/d/53207d1c-63b4-48f1-96b7-19869fae19fe/348c0de9-5017-4a98-a9b7-4ba755a91f51?origin=1>

**Vale acknowledges that it operates in remote areas that lack structured socioeconomic development and have systemic challenges such as irregular occupation of land, exploitation of soil with the use of inadequate techniques, such as fires, absence of socio-economic public policies and others. As such, the company acknowledges that it has a role to play and in 2021 launched its social ambition, where Vale aims to be a partner company in the development of resilient communities, engaged in relevant issues to humanity and committed to sustainable mining.** Read *Section 4. Vale's Commitment to Sustainable Mining* for more information.

### 1.1. Licensing Process for Duplication

**We disagree with the statement that "the EFC duplication licensing process occurred in a fragmented manner and did disregard the ILO 169". The duplication works of the Carajás Railroad followed the guidelines and terms of reference issued by the licensing agency (IBAMA - Brazilian Institute of Environment and Renewable Natural Resources), which were presented and discussed with IBAMA, ANTT (Brazilian Land Transport Agency), INCRA (Brazilian Institute for Colonization and Agrarian Reform), FUNAI (Brazilian Indigenous Foundation) and ICMBio (Chico Mendes Institute for Biodiversity Conservation), and had broad community participation as well as that from the states and municipalities through which the railroad passes.**

The studies prepared for the duplication addressed all relevant environmental aspects and evaluated all the impacts resulting from the construction and the future operation, covering the entire length of the railroad. These studies included primary and secondary data diagnostics from all environments - physical, biotic, and socioeconomic - considering the railway expansion activities.

Furthermore, some sections of the duplication require different procedures, as in the case of crossings of indigenous lands, which require the presentation and approval of a specific Basic Environmental Plan for each of the intercepted areas. These procedures have been strictly observed. Vale is committed to the Free Prior Informed Consent – FPIC, in this sense, it maintains relationship agreements with neighboring communities such as indigenous people and *quilombolas*, as well as implements Basic Environmental Plan with them in accordance with the regulation.

It should be noted that, during the licensing, there were hearings where communities surrounding the railroad, including indigenous peoples, traditional communities and *quilombolas*, participated. In these meetings the project was presented along with the actions to mitigate the main environmental impacts identified by the environmental study. IBAMA, the Federal Public Ministry, community leaders, organizations, and municipalities took part in these meetings. Nevertheless, Vale is aware of its potential impacts on society, and seeks to continuously improve its dialogue and active listening with its stakeholders to listen to their concerns and act to remediate and engage accordingly.

### 1.2. Water Quality and Access

**Regarding water availability, Vale understands that the EFC does not affect the drought or the natural flow of rainwater or existing water bodies in the region.** The EFC railroad has drainage devices duly calculated under the region's water regime, serving exclusively as a communicating channel under the railroad. The impact on water mentioned in the report could



potentially arise from other sources, such as irregular and uncontrolled use of the soil, such as and urbanization in areas adjacent to the railroad.

**Regarding water quality, during the years of construction of the EFC expansion project, water quality and aquatic biota monitoring were carried out in the main water bodies that serve the communities, and the results show that the works did not cause damage or loss in water quality.**

### 1.3. Vale and Indigenous Peoples

**Vale's relationship with Indigenous Peoples and Traditional Communities is based on the respect for cultural diversity and for the rights of these populations. Vale recognizes the different connection that these populations have with the territory, which involves not only physical and socio-economic aspects, but also cultural and spiritual aspects.** Vale's relationship with Indigenous Peoples and Traditional Communities is guided by Vale's [Global Human Rights Policy](#), which is aligned with the main international standards and regulations related to the theme. Currently, the company has relationships with 29 Indigenous Peoples, 13 in Brazil and 16 in other countries, in addition to 57 Traditional Communities in Brazil. The team responsible for conducting this relationship is made up of professionals are exclusively dedicated to each people/community and have multidisciplinary backgrounds and consistent experience in Indigenous relations.

The company's approach is that mining activities in Indigenous Lands in Brazil can only be carried out through *Free, Prior and Informed Consent (FPIC)* of the indigenous peoples, and in light of a regulatory framework that considers their participation and autonomy.

Vale does not currently carry out any mineral research or mining activities in Indigenous Lands in Brazil, whether mining titles or legal expectations. In fact, in September 2021 the Company relinquished its mineral rights in Indigenous Lands in Brazil, which includes applications for exploration permits and mining concessions.

In addition, Vale trains employees and suppliers who interact with these populations in areas impacted by its operations, to maintain consistency in their relationships with various territories and to hold a qualified dialogue with these stakeholders.

For more information:

<http://www.vale.com/esg/en/Pages/IndigenousPeoplesAndTraditionalCommunity.aspx>

### 1.4. Conservation of the Amazon

**Vale has been in the Amazon for over three decades, and throughout that time has been protecting the Amazon Forest and helping maintain critical forests intact, while mining the largest iron ore mine in the world.** The Carajás Conservation Unit Mosaic occupies 800 thousand hectares, an area that equates to five times that of Greater London. Our operations occupy less than 2% of the mosaic, and from there comes 60% of our production. The remaining areas are protected in partnership with ICMBio, the Chico Mendes Institute of Biodiversity Conservation (ICMBio) whose main mission is to conserve Brazilian biodiversity, especially inside Protected Areas.

As an example, through the [Vale Fund](#), we have supported approximately 90 environmental conservation projects over 11 years, in 60 municipalities, through 36 partner civil society organizations, primarily in the Amazon. We have strengthened more than 230 social and environmental impact businesses, which improved the lives and increased income generation for 18.5 thousand small rural producers. See section 4.2.2. *Vale Fund* for more details.

Today, about 1 million hectares, mostly in the Amazon, are protected by Vale, directly or through partnerships. The image in the "Business Case" section of the [Biodiversity page](#) shows how, unfortunately, almost all the surrounding area outside the borders of the protected area have been deforested, being practically intact only the area Vale helps protect. For more information on the progression of deforestation of the Itacaiúnas River basin along the last 30 years please refer to the study "[Changes in the Land Cover and Land Use of the Itacaiúnas River Watershed, Arc of](#)

[Deforestation, Carajás, Southeastern Amazon](#)” that shows that also shows how the remnants of forests left standing are associated with areas that Vale helps to protect.

Please refer to *Section 4.3. Vale’s Commitment to Conservation and Biodiversity* for additional information regarding institutional actions.

### 1.5. Piquiá de Baixo

**Vale acknowledges the critical situation and is taking actions and building solutions in a collaborative manner with society. The company has maintained a continuous dialogue with the stakeholders involved in the Piquiá de Baixo issue, in order to contribute to a joint sustainable solution..**

In September 2019, members of Vale's Sustainability Committee visited Piquiá de Baixo and since then Vale has been following the actions taken by the pig iron companies to address the environmental issues.

Soon after Vale's Sustainability Committee visited, in November 2019, the two pig irons in Açailândia underwent environmental due diligence, carried out by an independent specialized company. Among the recommendations raised were environmental management actions that were monitored by Vale throughout 2020 and 2021, including the decommissioning of the pig iron unit near Piquiá de Baixo.

#### 1.5.1. Particulate Matter Measurements

**It is important to note that Vale conducts monitoring of the operation from the EFC patio, and these did not show particulate emission outside of the standard. Monitoring of particulate emissions is an established condition of the environment permits which is reported to IBAMA (Brazilian Institute of Environment and Renewable Natural Resources) through the RADA (Annual Report on Environmental Performance).** A set of actions, such as paving of roads, is underway aimed at mitigating the emission of particulate matter during road transport of iron ore. Also, articulation and engagement with local plants installed in the region is ongoing in order to monitor compliance with legal and market environmental standards.

#### 1.5.2. Works on the New Piquiá da Conquista

**Vale is committed to delivering and completing the work of the new neighborhood. The company is making a financial contribution in the total amount of R\$ 39.3 million, to enable and guarantee the works of the new Piquiá da Conquista neighborhood (the construction of the 312 housing units), guaranteeing quality of life for residents, including basic sanitation, paving, adequate public lighting, among other infrastructure items.** By the end of 2021, about 43% of the construction work for the houses had been completed.

This total contribution includes funds from the Vale Foundation, donated since 2015; a supplementary transfer from Vale for maintenance of the construction site carried out in 2020, considering the impacts of the Covid-19 pandemic; in addition to amounts invested in 2021/2022 to keep the work in progress. A last contribution to the program was made based on a new contractual modality signed with Caixa Econômica Federal and the Residents' Association, signed in December 2021, thus guaranteeing the necessary conditions for the completion of the project.

#### 1.5.3. Community Engagement

**Vale understands the importance to adequately engage, dialogue, and listen to the community.** A Steering Committee (Comitê Gestor in Portuguese) was established in the region of Piquiá to adequately engage with representative actors of the community, including civil society, governing entities, and local companies, to discuss local challenges.

#### 1.5.4. Gender Issues

**Vale recognizes that gender issues are important and inherent to the local context of the region. As such we seek to include a gender lens in the engagement processes with neighboring communities and also strive to guarantee women participation in initiatives that may impact their lives.**

In our community relations process, we work with all social groups, ensuring a process of mobilization and representation of communities. The gender issue is not left out of this context. Our current processes count with majority women participation in dialogue forums and social projects. Important to highlight that the main leadership of Piquiá de Baixo community association is a woman, that leads another group of women in the housing complex process.

#### 1.5.5. Other Social Projects

**Vale is also carrying out social projects aimed at generating income, education, and health, carried out by Vale and Vale Foundation.** Examples include Literary Routes and Networks (‘Rotas e Redes Literárias’ in Portuguese), which structured reading rooms in schools in Piquiá, including the donation of a literature collection and the Health Cycle (‘Ciclo Saúde’ in Portuguese) program, which, among several actions, donated equipment, furniture, and health care instruments to three Basic Health Units in Piquiá. For more information see section 4.2.1. *Vale Foundation.*

## 2. Brumadinho

We will never forget Brumadinho, and we remain determined to provide thorough reparation and to compensate the damage caused to people and territories impacted by the collapse of the B1 Dam at the Córrego do Feijão Mine in Brumadinho, Minas Gerais, Brazil. In addition to the 270 fatalities, six of whom were still unaccounted for as of the publication of this report, the dam's rupture caused profound environmental and social impacts.

Vale's mining activities in Brumadinho have been paralyzed since the collapse. The company only carries out maintenance activities at its local units. Vale reiterates that it will not operate the Córrego do Feijão mine again. This is a public commitment of the company and will be fulfilled.

For more information: <http://www.vale.com/esg/en/Pages/Brumadinho.aspx>

### 2.1. Emergency Aid and Support

It is important to note that Vale has been providing support to families impacted by the dam failure since the beginning. **In February 2019, the monthly emergency payment was approved for all people residing in Brumadinho or within 1 km of the bed of the Paraopeba River, within the parameters of the Preliminary Agreement signed in a hearing with the representatives of the population: Attorney General of the State of Minas Gerais, the Public Ministry of the State of Minas Gerais, the Public Defender's Office of the State of Minas Gerais, the Attorney General's Office, the Federal Public Ministry and the Public Defender's Office of the Union, in addition to representatives of those affected.**

For almost 3 years, around 100,000 people relied on the benefit, which exceeded R\$ 2.3 billion in investments made. In October 2021, Vale completed the escrow deposit of R\$4.4 billion, adjusted for inflation, for the Income Transfer Program (PTR), a definitive solution for the emergency aid payments provided by Vale to those affected by the dam collapse in Brumadinho. The PTR is managed by the Justice Institutions, without the participation of Vale, and operated by Fundação Getúlio Vargas, the company chosen by the parties. Wide-ranging public consultations with the residents of the 26 municipalities affected by the dam breach was carried out by the parties to the Agreement between the 5th and 22nd of November. Individuals affected were able to indicate areas of priority for investment in socioeconomic reparation projects in their municipality. With this, Vale guarantees the continuity of the integral repair process and assistance to those affected.

In addition, the full assistance program offers financial consulting, psychological assistance, and support for purchasing properties and the reinitiating of business activities for affected people striving to make a difference for people beyond the financial compensation received. Vale also promoted the construction of community centers, day care centers, Family Health Centers, renovation of all schools as well as the improvement of road infrastructure in all affected communities. Such accomplishments were completed in parallel and in addition to the Integral Reparation Agreement.

### 2.1.1. Searches for the Victims

**We understand the profound significance that locating the remains of the missing victims has for the affected families. Vale continues to give priority and unrestricted support to the continuity of the searches carried out by the Fire Department of Minas Gerais. Until May 2022, five (5) people have yet to be located.**

In 2021 the Fire Department entered a new phase with the implementation of the 8<sup>th</sup> strategy. Four automated search stations have been implemented to operate simultaneously, while a fifth (reserve) station is available, increasing the efficiency of the activity and the safety of those involved. Search Posts are using equipment developed together with the firefighters and with the participation of the victims' families. Our connection with the association representing the victims' families and the support of the Forensic Medical Institute have been invaluable throughout this process and we are very thankful for both.

More information:

[http://www.vale.com/brasil/EN/aboutvale/reports/atualizacoes\\_brumadinho/Pages/updated-lists.aspx](http://www.vale.com/brasil/EN/aboutvale/reports/atualizacoes_brumadinho/Pages/updated-lists.aspx)

### 2.1.2. Support to Individuals Affected

Vale considers attention and care for people as a main priority, especially in the region of Brumadinho and in evacuated territories. **The main support mechanism is the Family Reference program which was implemented in 2019 and has a team of specialized professionals that offer psychosocial support and active care to the families affected by the dam collapse or involuntary relocation.**

More than 93% of eligible families have joined the program so far, which corresponds to approximately 3,300 people served. The monitoring of immediate family members is carried out until a degree of autonomy is achieved allowing them to carry on with their routines independently. To date, 64.3% of the individuals receiving assistance from the program have concluded these services.

The amounts allocated to medical and psychosocial care and treatment so far were R\$ 96.2 million. The amount additional to the approximately R\$ 32 million transferred to the City Hall of Brumadinho, through a cooperation agreement, for the expansion of health and psychosocial assistance in the municipality.

Another important program is Health Cycle ('Ciclo Saúde' in Portuguese), which was implemented to contribute to the improvement of primary health care in 15 municipalities. In addition to supporting management, the program works on equipping the Basic Health Units and training health professionals who work in the Family Health Strategy teams. More than 2,000 health professionals were trained, 5,589 equipment were delivered, 143 Basic Health Units were served, 216 young residents of the communities were trained.

### 2.1.3. Indemnity Agreements

Since 2019 and until April 2022, due to the effect of the dam breach and evacuations, Vale has signed over 12,900 agreements for indemnification of those affected in the civil and labor spheres, which have resulted in the payment of R\$ 3 billion. At least one relative from each employee, whether direct or contractor, who passed away in the Barragem B1 dam collapse has already reached a settlement agreement with Vale. This reaffirms Vale's commitment to providing compensation to those impacted by the dam breach or subsequent evacuations in a swift and definitive manner.

So that people can close their extrajudicial indemnity agreements, a Term of Commitment was signed between Vale and the Public Defender's Office of Minas Gerais, for cases of civil indemnities. In the labor sphere, indemnities are paid after adherence to agreements signed with the Public Ministry of Labor and union entities. These terms serve as a parameter for indemnities, providing for amounts, conditions, and criteria. The agreements are taken to the Judiciary for approval. It is worth emphasizing that the affected person can seek the Public Defender's Office or a private lawyer to obtain legal assistance and negotiate their compensation, being free to accept or not the terms of the agreements.

#### 2.1.4. Construction of the Memorial

The tragedy of Brumadinho will never be forgotten. Work on the memorial honoring the victims of the dam collapse is currently underway. The foundations have been concluded and we have already begun erecting the structures. **The Memorial project, which was designed by Avabrum - Association for Victims' Families and Those Affected by the Córrego do Feijão Dam Collapse, is being built in the community of Córrego do Feijão in a location chosen by the family members represented by the association.** The memorial will occupy an area of 5.5 hectares and will consist of three thematic areas (the Pavilion, Memory Space, and the Testimony Space), which are connected by open air corridors. At the end of the corridor, there will be a lookout point with a view of the area of the dam collapse. Construction is planned to be concluded by December 2022.

### 2.2. Integral Reparation Agreement

**Vale agreed to the Integral Reparation Agreement which establishes additional obligations for action and payment (R\$ 37.7 billion), which includes initiatives for socioeconomic and socioenvironmental reparation for damages resulting from the dam breach in Brumadinho.**

The Agreement also provides resources for contracting independent auditors for the purposes of supporting institutions in monitoring the execution of projects. The initiatives included in the thorough Integral Reparation Agreement, which was entered into in February 2021 by the Minas Gerais state government, the State and Federal Public Prosecutor's Office, the Public Defender's Office, and Vale, are being outlined and implemented.

It is noteworthy that the agreement is the result of a high-level mediation process, conducted by the Judicial Center for the Resolution of Conflicts and Citizenship of the Court of Justice of Minas Gerais (TJMG), Justice institutions, legitimate representatives of the interests of those affected and holders of individual or collective rights, and aims at a quick solution to mitigate the impacts of the rupture of the dam on the State of Minas Gerais and affected regions.

**In view of this, and regarding the allegation that there would be a lack of transparency and participation of the people impacted in the agreement, we reinforce that the instrument was negotiated with the Justice Institutions legally responsible for protecting the rights of those affected, which gives it legitimacy.** The Settlement has mechanisms that aim to guarantee the participation of those impacted in the conception, formulation, execution, monitoring and evaluation of the plans, programs, projects, and actions related to Annex I.1 - Projects of Demands of the Affected Communities.

The agreement also provides for the closing of legal discussions regarding socio-environmental damage caused by the dam rupture, as well as regarding socio-economic reparation for collective damages in a wide sense and homogeneous individual non-divisible damages. **The socio-economic projects, whose execution will be the responsibility of Vale in Brumadinho and in 25 municipalities in the Paraopeba river basin, were submitted to popular consultation by the parties, according to the dynamics of the agreement, carried out in November 2021, with more than ten thousand participants. The initiative allowed residents of the impacted regions to prioritize the more than 3,000 proposals for improvements sent by mayors and technical advisors.**

In addition to the direct payments to be made by Vale, the company also has a portfolio of projects to be carried out, part of which has already been defined and being implemented and part of which will result from the demands of the communities. Also under the Integral Reparation Agreement, Vale provided R\$4.4 billion to the income transfer program that will replace the monthly emergency aid payments. This program will be administered and operated by the judicial authorities.

### 2.3. Relocation

**Vale has not used terror strategies to evacuate communities. To ensure the integrity and safety of people, in 2019 Vale started the relocation of families living in the Self-Rescue Zones (ZAS), that is, 10km from the dams that were at level 2 and 3 of emergency, to temporary residences.** Families evacuated preventively from the ZAS of the Sul Superior and Norte Laranjeiras dams, in Barão de Cocais, Doutor, in Ouro Preto, Forquilha III, in Itabirito, and B3/B4, in Nova Lima, are in houses chosen by the individuals that were relocated and have

expenses (IPTU, water and electricity), basic food basket and gas paid for by Vale, in addition to psychological support.

Furthermore, individual compensation has been paid to residents. Around 3,000 people have already signed individual indemnity agreements with Vale in Barão de Cocais, Ouro Preto, Nova Lima and Itabirito. The amounts paid exceed BRL 570 million.

The development plan was also drawn up for each territory together with the community and the city council. The projects propose lasting improvements that contribute to job creation, economic diversification, promotion of tourism and better infrastructure for education, leisure, health, and urban planning.

#### 2.4. Cause of Rupture

Two independent technical studies were hired for the investigation, which point to slightly different conclusions regarding the technical causes of the B1 Dam failure, demonstrating how complex the issue is. It is important to note that both investigations were conducted by some of the most recognized experts in the world.

In December 2019, the company made public the final report of the Expert Panel, which worked for about 10 months in investigating the technical causes. The collapse, according to both investigations, occurred abruptly and with no apparent previous signs that could be detected by the geotechnical monitoring instruments normally used in the global mining industry. The report from the Expert Panel, which consists of a document containing ten appendices and a short explanatory video are available at <http://www.b1technicalinvestigation.com/>.

In August 2021, the Centro Internacional de Métodos Numéricos en la Ingeniería (CMINE) of the Universidad Politécnica de Cataluña, contracted by the Federal Public Ministry of Brazil, published another study about the case available at <http://www.mpf.mp.br/mg/sala-de-imprensa/docs/2021/relatorio-final-cinme-upc-1>.

The CMINE's study suggests that the trigger for liquefaction of the dam would have been a drilling hole, which was being drilled at the time of the failure. This is unprecedented in the history of cases of tailings dam failure by liquefaction worldwide. According to CMINE, *the simulations of dam history show no signs of impending collapse of the dam at the time of the failure, even when creep phenomena and increased precipitation are incorporated in the analysis. In fact, stability is also obtained even if the analysis is continued for an additional 100 years. This result suggests that some additional factor or event was required for the dam to fail.*

It is important to say that B1 Dam had its own emergency plan (PAEBM) and escape route if a rupture occurred. During 2018, two trainings have been carried out by Vale with the attendance and participation of Public Authorities, specifically for the scenario of global failure. Everyone participated in the simulation to evacuate the area, including the cafeteria and the administrative structures located downstream. These trainings are documented and there is a list of attendees for referral if necessary. In addition, we highlight that the placement of the cafeteria and the administrative structures were not clandestine nor prohibited by Brazilian law. These buildings have been acknowledged by Public Authorities and in 2016 the Mining Agency went on site to visit and inspect Dam I in order to classify it in accordance with regulation.

Since the event, Vale has been actively cooperating with investigations conducted by the Task Force, with independent internal committees and with parliamentary commissions, presenting all requested documents and information. The company considers it essential that there is a specialized, technical and scientific conclusion about the causes of the dam collapse before responsibility can be determined.

B1 Dam had all the applicable stability declarations and underwent constant external and independent audits. Inspection declarations from the 4 years preceding the rupture, issued by TUV-SUD and other auditing companies, attest to B1 Dam operational stability. In fact, since 2015, Dam 1 received six (6) stability declarations issued by four (4) distinct auditing companies. There were biweekly inspections, reported to the National Mining Agency, the last one dated 12/21/2018. The structure also underwent inspections on January 8<sup>th</sup> and 22<sup>nd</sup>, recorded in Vale's monitoring system. In none of these inspections were any anomalies detected that pointed to an imminent risk of the dam breaking.

According to the Dam I's Emergency Plan (PAEBM), the sirens were to be activated when the dam's emergency level reached 3, considering imminent dam breach risk. In this sense, CIMNE and the Expert Panel investigations have found that 'dam background simulations show[ed] no signs of imminent dam failure at the time it collapsed'.

By hiring an internationally renowned auditing company, such as Tüv Süd, which operates in more than 50 countries, Vale expected that company's auditors to have technical responsibility, independence, and autonomy in the provision of their services, since the auditor is responsible for carrying out a systematic, documented and independent process to obtain all possible evidence and objectively evaluate it, prioritizing safety above all else. Prioritizing safety was also the reason why the drilling was being handled by Fugro's machinery, once other contractor's drills didn't meet Vale's internal guidelines on health and safety. It is worth mentioning that, according to CIMNE and Federal Police, the drilling aimed to collect soil samples and install multilevel piezometers to measure water pressure to provide a broader knowledge of the Dam I's construction and to improve the monitoring of the geotechnical structure.

## **2.5. Commitment to non-repetition**

Vale is undergoing structural and cultural changes aimed at preventing repetition of the damage caused by dam ruptures by cultivating approaches together with society through active listening and transparent dialogue and an obsession for safety and risk management.

The Brumadinho and Mariana events have changed the global perspective on the use and management of dams in mining. Since then, we have been working on decharacterizing or eliminating upstream structures in Brazil and have been progressing in developing technologies to reduce and dispose of tailings. We know that we have a long way to go.

The issue of dams is currently one of the biggest challenges in the mining sector and especially at Vale, because, while they are important for continued production, they cause the perception of insecurity in the communities near the operations, especially in the state of Minas Gerais.

**Vale is committed to non-repetition of ruptures and the elimination of all upstream dams in Brazil, placing the safety of people and the environment as top priority.**

### *2.5.1. Dam Decharacterization*

**Vale is unaware of the "Zero Dam Program" cited by the publication, however, regarding the process of dam decommissioning (or dam decharacterization), one of the main initiatives to reduce the company's risk level is the decharacterization of all our 30 upstream geotechnical structures in Brazil, including dams, dikes, and drained piles.** We refer to this program as - Vale's Upstream Dam Decharacterization Program.

By eliminating seven such structures since 2019 – four in Minas Gerais and three in Pará, out of the 30 mapped – we have achieved 23% of the Dam Decharacterization Plan. By 2022, the forecast is to eliminate an additional five upstream structures. With this, the company expects to end 2022 with 40% of structures – 12 of the 30 mapped dams – decharacterized.

At the same time and in line with the best practices for dam management, Vale has intensified actions to prevent, correct and monitor unsafe structures, advancing toward the goal of having no dam in a critical condition (emergency level 3) by 2025. These actions also increase the safety of the upstream structures that will be eliminated until the preparatory and engineering steps for decharacterization are completed.

Further information on our Upstream Dam Decharacterization Program is available here: <http://www.vale.com/esg/en/Pages/de-characterization-plan.aspx>

### *2.5.2. Alternatives to Tailing Dams*

**Vale has been developing alternatives to tailings dams and, with the continuous investments in dry stacking tailings disposal and the planned increase of the share of dry processing production from 40% in 2014 of our total production to a target of 70% by 2024-25, our reliance on new dams and dam raisings will face a great decline.**

To treat the tailings from wet processing, Vale invests in tailings filtration systems to allow for the operation of certain mines and plants without using tailings dams. Investments have been announced in filtration plants in some of our sites, including Vargem Grande complex, Itabira complex and Brucutu, to be operated with tailings filtration systems and dry stacking tailings disposal, which consists of filtering and stacking of partially or totally dewatered tailings, reducing the reliance on tailings dams. In 2021, the operation of the Vargem Grande filtration plant began, the first of four plants under construction in Minas Gerais, reducing the reliance on dams.

Vale has also developed a certified sand for application in the civil construction market to reduce the volume of tailings disposed of in dams. In addition, the acquisition of New Steel in January 2019, brings innovative technologies for the dry beneficiation of iron ore, and approved investments for the world's first industrial-scale dry magnetic fines concentration.

## 2.6. Water Quality and Access

Since January 2019, Vale has been carrying out water quality monitoring work in the Paraopeba River basin, its tributaries, as well as stretches of the São Francisco River, although the latter were not affected by the B1 Dam failure. In addition to the monthly monitoring carried out by the Minas Gerais Water Management Institute (Igam), the quality of the waters of the Paraopeba River and its tributaries is monitored by Vale, respecting the commitment assumed with the responsible public bodies. All this work is accompanied by an independent technical and environmental audit, appointed by the Public Ministry of Minas Gerais (MPMG). The data obtained by the monitoring works are periodically delivered to authority inspection bodies and to the Public Ministry of Minas Gerais.

The levels above the established limits for **Iron and Manganese occurred in greater proportions in 2019 and the follow-ups over the last 3 years indicate an improvement in conditions at levels close to the baselines, considering historical data obtained from monitoring of Minas Gerais Water Management Institute (Igam), between 2000 and 2008.** The presence of Lead in levels above the standard of water quality, occurs widespread in the basin and is tied directly with the precipitations of the rainy seasons. Furthermore, it is important to note that the deviations are not exclusive to the dam failure, but also are related to other sources, unrelated to the presence of tailings in the river, such as geological characteristics, land use and occupation, human activities. **Furthermore, regarding the aforementioned metals, levels outside the norm have been registered and observed upstream from the impacted area, in more distant regions and in the entire basin before the rupture. Total mercury was identified, in a restricted way, in high concentrations in the Paraopeba River only in 2019, and later, the results were close to or below the established limit and similar to the historical series monitored by IGAM.**

For more information:

[http://www.vale.com/brasil/EN/aboutvale/reports/atualizacoes\\_brumadinho/Pages/water.aspx](http://www.vale.com/brasil/EN/aboutvale/reports/atualizacoes_brumadinho/Pages/water.aspx)

### 2.6.1. Emergency Measures and Access to Water

**During the emergency period, Vale delivered more than 480,000 liters of water to the Paraopeba basin, in addition to basic food baskets, cleaning products, personal hygiene, mattresses and PPE.** The company continues to deliver water and products for animal feed on a regular basis to the affected eligible residents, with adequate quality and quantity. Since 2019, through this strategy, more than 1.4 billion liters of water and more than 130 million kilograms of animal feed products have been delivered. **The drinking water delivered by water trucks is treated by Copasa in two treatment stations, in Juatuba and Curvelo. Before each delivery, accredited and independent laboratories analyze, by sampling, the chlorine content, and other parameters, such as color, pH, total coliforms, and E. Coli. The independent technical auditing company hired to serve the Public Ministry of the State of Minas Gerais (MPMG) also performs the analyses as counterproof.**

For residents of riverside communities to have access to definitive alternatives for water supply, Vale is working to construct or reactivate groundwater withdrawal systems. New wells are



installed in locations that are adequate and that guarantee that water is accessible. This year, around 40 groundwater withdrawal systems were built or reactivated.

**Those that have not yet been given access to definitive alternatives will continue to regularly receive high-quality water.**

Emergency measures in progress:

- technology capable of tracking and monitoring all water delivered
- a flow of 29.4 million L/day made available for public water supply, enough volume to supply a city of 200,000 thousand inhabitants
- more than 60 trucks pump water each day
- 1.8 billion liters of water provided by drilled and/or reactivated wells
- around 620 families receiving services per day
- as of November, more than 1.3 billion liters of drinking water have been measurement of chlorine content, of which to date 100% of samples follow existing legislation
- around 260 rural producers regularly receive animal feed products more than 130 million kilograms of animal feed supplies

**We continue to support rural producers and other entrepreneurs through training projects, technical assistance, and support for local entrepreneurship, encouraging the creation of new business fronts and the strengthening of existing production chains, such as tourism and agriculture.** There are currently 3 programs to support rural producers in progress (Cultivar Program, Curral Tronco Balança Project, and Agriculture Strengthening Program), totaling about 350 producers served. These are diagnostic actions, training, technical assistance, and investments to resume, improve and diversify production activities and processes.

#### *2.6.2. Recovery of the River*

**The recovery of the Paraopeba River and the quality of its water, reaching the parameters prior to the rupture, is one of the company's priorities. The river recovery actions are part of the Paraopeba Basin Reparation Plan started in 2019, together with the implementation of a series of emergency measures to prevent tailings from continuing to be carried into the Paraopeba River.**

The Integral Reparation Agreement provides for this Plan to be funded by Vale, being monitored, and validated by competent bodies and environmental audits until its conclusion, in order to guarantee the environmental remediation under the terms of the Agreement. These actions have an estimated value of R\$5 billion, with the necessary and competent actions being taken to recover the environment affected by the disruption. In addition to environmental recovery, Vale is responsible for paying and carrying out environmental compensation actions that have a total budget of R\$ 1.55 billion.

**We had no impact on the volumes of water distributed to the communities, since Vale started to distribute drinking water and mineral water on equal terms and conditions. During these actions, our sediment control actions have proved to be effective since the contamination and turbidity indicators clearly show the improvement in numbers compared to the years 2019, 2020 and 2021.**

#### *2.6.3. Tejuco*

Regarding the water supply to the community of Tejuco, it is important to note that the precarious water supply is long-standing issue requiring necessary action prior to the rupture. However, the situation has worsened on December 5<sup>th</sup>, 2020, when Vale was performing a reactivation of a road for carrying out emergency actions in the region. As a mitigation measure, the cleaning of the water reservoir, distribution network and residential water tanks was carried out and the community of Tejuco began to be supplied with alternative sources of water (water truck and mineral water).

Currently, the transport of drinking water is carried out by water trucks 24 hours a day, 9 during the day and 5 at night. The total volume transported daily by water trucks in the last 3 months was 418, 332 and 414 m<sup>3</sup>, respectively for December/21, January, and February/22. The water transported by the water trucks that supply the community of Tejuco is collected at the Rio Manso

Water Treatment Station, under the responsibility of COPASA (Minas Gerais Sanitation Company), which has a procedure for controlling the quality of the water distributed, as required by Annex XX of the Consolidation Ordinance No. 5/2017. Vale S/A monitors the quality of water distributed by vehicles.

Recently, on 01/02/2022, Vale S/A signed, together with the Public Prosecutor's Office of the State of Minas Gerais, the Public Defender's Office of the State of Minas Gerais, with the intervention of AECOM do Brasil Ltda., of the State of Minas Gerais, COPASA and the Municipality of Brumadinho/MG, the Fourth Addendum to the Term of Commitment signed on July 8, 2019. This document aims to define responsibilities for the implementation of a definitive water supply system for the community, being the responsibility of the Vale S/A the implementation of a new water collection in a deep well, chemical house, pipeline, and reservoir, being COPASA's responsibility to improve the distribution network.

### **2.7. Jangada Mine Operation**

**Vale the publication should be revised in light of the information: Vale has not taken initiatives to resume Jangada mine expansion project in Brumadinho. In fact, the operation at the mine been suspended since the dam 1 rupture in 2019, and with it, the use of tailings dams.**

## **3. Capital Flows**

**Vale does not operate illicit capital flows and respects the spirit and letter of applicable tax laws. We further believe that taxes should be proportionate to the value creation in a jurisdiction and our policies and practices are premised on the principle that the majority of taxes are paid in extracting jurisdictions.**

Besides, it is relevant to mention that, in application of Brazilian Controlled Foreign Corporation rules, the statutory profits of all direct and indirect foreign subsidiaries and affiliates, regardless of their location, are taxable in Brazil. These rules result in the curtailment of tax planning benefits that could arise from international structures.

## **4. Vale's Commitment to Sustainable Mining**

**Vale is fully committed to improving and building an organization that is more humane, safer, more sustainable, placing people at the center of every decision and action we take.** Vale seeks to practice dialogue and active listening with its stakeholders to build a positive legacy for future generations. The company's ambition is to be an operator grounded in an obsession for safety and risk management, a catalyst of local development, and an agent of sustainability on a global scale. Vale has adopted challenging and ambitious sustainability goals, aligned with the UN Agenda 2030, involving climate change, water, energy, forests, diversity and inclusion and social development. These goals are aligned with the leading global frameworks and methods available for tracking and measuring our performance and contributions. The progress and initiatives for all commitments are available at [Vale's Integrated Report](#) and [ESG Portal](#).

### **4.1. Community Development**

Vale currently has 2,092 local community relationships mapped, of which 1,304 are in Brazil, 80 in Canada, 355 in Mozambique, 163 in Malawi, 47 in Peru, 27 in Oman, 110 in Indonesia and 6 in Malaysia. To engage them, Vale seeks to establish structured spaces for dialogue to build our Community Relationship and Investment Plans. These plans will be based on the principle of mobilizing the communities to participate in our efforts to define and prioritize actions that we will implement in their territory.

### **4.2. Private Social Investment**

Vale makes socio-economic investments in the territories where it operates and in initiatives that contribute to developing of society, through investment vehicles or structured initiatives. In 2020, we spent USD 77 million on social actions.

#### 4.2.1. Vale Foundation

The Vale Foundation seeks to strengthen public policies and contribute to the social development in the territories where Vale operates. In 2021, its initiatives impacted more than 860,000 people across 50 municipalities in six Brazilian states. We highlight the following projects:

- Literacy Tracks (Trilhos da alfabetização)

This project promotes literacy in about 70,000 children in the public school network. During the year, 2,900 educators, managers, and technicians from 1,070 schools participated in the project's training. Developed in partnership with the Government of Maranhão, Fundação Getulio Vargas, and the City Halls of the 24 municipalities along the Carajás Railroad (EFC), the initiative is aimed at first, second, and third grade public school students. The project strengthens municipal management; trains teachers, managers, and technicians; assesses and monitor learning; and produces and distributes educational materials.

- Networked Territories (Territórios em Rede)

Launched in 2020, this project aims to identify the main challenges in guaranteeing the right to education and to propose actions that seek to combat school exclusion, together with the municipalities. Year to date, the project has identified 3,340 excluded children in Serra (ES) and Marabá (PA), of which 2,480 were returned to the educational system. In partnership with Learning School City (Cidade Escola Aprendiz) and the City Halls of Serra (ES) and Marabá (PA), children and teenagers between 4 and 17 years old are identified as being out of school or at risk of dropping out. After being identified, the children are monitored by the project to ensure their school enrollment or attendance regularized. This is possible thanks to the assistance provided by the Networked Territories teams in collaboration with the schools and the municipal government, through home visits or phone contact. In addition to the Vale Foundation, the project has investments from Wheaton Precious Metals, in Pará, and from GHT, in Espírito Santo.

- Health Cycle (Ciclo Saúde)

Health Cycle (Ciclo Saúde) is a technical cooperation program to strengthen primary care in the municipalities and aims to promote health through an integrated process. In 2021, we implemented the program in 18 municipalities, supporting 175 basic health units (UBS in Portuguese) and training 2,200 professionals. The project can potentially benefit up to 695,000 users of the Brazilian Unified Health System and includes training workshops, management support and furniture and equipment donation to improve conditions for the population. It is a Vale Foundation initiative in partnership with the Center for Health Promotion (CEDAPS), the Post-Graduate Family Health Program at Estácio de Sá University, and the 18 municipal governments where it is implemented.

Learn more at <https://www.fundacaovale.org/en/home/>

#### 4.2.2. Vale Fund

The Vale Fund works to strengthen a more sustainable, fair, and inclusive economy. Since 2010, it has supported the construction of a new economic reality by investing in business development, knowledge generation, the strengthening of the impact ecosystem, and financial arrangements aiming to conserve and recover the environment, especially in the Amazon.

##### The launch of AMAZ - the Amazon impact accelerator

This program supports startups in various areas such as financial and administrative Amazon management and, articulates cooperative opportunities in logistics and market access. By 2030, we will select 30 businesses through annual calls for proposals. The selected candidates will receive total contributions of USD 2.3 million. Together, the startups should help preserve one million hectares of forest and benefit 930 families.

##### Covid-19 Response Plan and Emergency Credit Line

The Vale Fund provided about USD 1 million to family farming and extractive associations and cooperatives through the Covid-19 Response Plan, between 2020 and 2021. Our partnership with Conexsus and the CX Fund has already impacted 18,800 producers, invested in 85 community businesses (43% in the Amazon), and provided loans in the amount of USD 1.7 million through the Emergency Credit Line, catalyzing resources with other co-financiers.

##### Amazon At Home, Forest Standing (Amazônia em Casa, Floresta em Pé)

Developed by Climate Ventures, the Amazon Logistics and Commercialization Lab sought to unlock market barriers to leverage Amazonian socio-biodiversity products. As an innovation and co-creation space focused on prototyping and testing, the Lab tested solutions to boost region's bioeconomy. As a result, the movement Amazon At Home, Forest Standing (Amazonia em Casa, Floresta em Pé) was created, which relied on a partnership with Mercado Livre, increasing online sales of sustainable businesses in the biome.

#### Strengthening the impact ecosystem

The Vale Fund supported several initiatives and networks in 2021 to strengthen skills, produce knowledge, and support the environment by boosting social and environmental impact businesses. Partners such as the Corporate Citizenship Institute (ICE in Portuguese), Phi Institute, Latin American Venture Philanthropy Network (Latimacto), Aspen Network of Development Entrepreneurs (ANDE), Pipe Social, and Move.Social have been part of this trajectory.

Learn more at <https://www.fundacaovale.org/en/home/>.

#### *4.2.3. Vale Cultural Institute*

In 2021, the Vale Cultural Institute supported and sponsored more than 200 projects in 160 Brazilian municipalities. The Institute's four cultural spaces – Canãa dos Carajás House of Culture (Casa da Cultura de Canãa dos Carajás), Vale Maranhão Cultural Centre (Centro Cultural Vale Maranhão), Minas Gerais Vale Memorial (Memorial Minas Gerais Vale), and Vale Museum) – initiated more than 1,900 projects, reaching more than 1.6 million people, and the Vale Música music training program held more than 622 classes.

Learn more at <http://institutoculturalvale.org/EN/pages/index.aspx>

### **4.3. Vale's Commitment to Conservation and Biodiversity**

In the last decade, we invested more than R\$1 billion in protection, research, territorial development and cultural incentive actions in Amazon region, of which approximately R\$910 million were voluntary.

The company has a 2030 target to recover and protect an additional 500,000 hectares. To fulfill this commitment, we are working to reach 100,000 hectares of restoration through engagement and investment in agroforestry businesses. An unprecedented arrangement in the country in terms of scale of productive recovery. By December 2021, we started a pilot to test the best solutions and arrangements of agroforestry systems in 6,000 hectares, involving 7 Brazilian states (4 of them in the Amazon) and we invested in 5 agroforestry startups. In this modeling phase alone, 700 families were engaged, 670 direct jobs generated, and 87 small rural properties involved. The program also offers several actions to strengthen the businesses and is being a driver of sustainable value chains.

On the forest protection front of the larger 500 thousand target, the goal is to preserve 400,000 hectares. In this component, partnerships have already been signed with three Conservation Units managed by the Chico Mendes Institute for Biodiversity Conservation (ICMBIO). Together, these Biological Reserves (REBio) help to protect more than 62,000 hectares of Atlantic Forest in three Brazilian states. In addition, we continue to work on protection and conservation actions in protected areas covered by the agreements signed in 2020, which involve over 50,000 hectares, adding up to an area of approximately 115,000 hectares of expanded protection in two years. In 2022, we are adding actions related to REDD (Reducing Emissions from Deforestation and Degradation) arrangements with a focus on leveraging the voluntary forest carbon market. Our Impact Carbon concept unites the benefits of the environmental carbon component with social and economic benefits for the region and the people who live there.

Vale's biodiversity management is aligned with the commitments and goals of the Convention on Biological Diversity (CBD). As a member of ICMM, Vale remains committed to the Council's principles, specifically Principle 7 on biodiversity conservation and land use planning. Vale is committed to Performance Expectation 7, not to operate in World Heritage Areas, and to implement and reinforce the impact mitigation hierarchy, without significant losses of biodiversity.

As a member of the Brazilian Business Council for Sustainable Development (CEBDS/WBCSD), Vale signed the Brazilian Business Commitment for Biodiversity. Furthermore, all our operations are committed to recovering degraded areas, restoring natural habitats, and compensating the impacts related to our intervention in natural habitats. These actions are part of the legal requirements that we meet throughout the licensing processes and to the commitments and guidelines established in international and internal standards.

Vale understands the challenge of integrating biodiversity management into the value chain. Therefore, it has addressed initiatives to help support the supply chain and commercial areas to adopt environmental requirements, which include biodiversity, in engaging with customers and suppliers. For example, customers that consume forest-based raw materials are required to provide documents attesting to their socio-environmental compliance in their production process supply chain. As next steps, the company intends to establish a more robust evaluation with an inspection routine, also seeking to evaluate issues involving illegal deforestation in the value chain and other concerns.

Vale also has multiple strategies for advancing the biodiversity and conservation agenda. The [Vale Technological Institute \(ITV\)](#), for instance, focuses on biodiversity, environmental services, water resources, environmental genomics, reforestation with native species, recovery of degraded areas, climate change, occupation and use of land and socioeconomics. In the last decade it has invested USD 130 million in research and innovation, published more than 600 scientific papers, and graduated 256 students in the MSc program.

For more information, please see the Vale and Biodiversity 2021 Book:

[http://www.vale.com/brasil/PT/Documents/arquivos\\_links/book\\_vale\\_biodiversidade\\_EN.pdf](http://www.vale.com/brasil/PT/Documents/arquivos_links/book_vale_biodiversidade_EN.pdf)

#### **4.4. Vale's Water Resource Management**

Aware of the risks associated with water scarcity, and in line with the guidelines of the International Council on Mining and Metals (ICMM), Vale developed the [Water and Water Resources Policy](#) that establishes risk management and impact prevention processes for the entire production chain and establishes guidelines for responsibly and rationally managing water resources and effluents. It helps to preserve the volume and quality of surface and groundwater in hydrographic basins and marine areas, continuously improving the sustainable management and responsible use of water resources and supports water accessibility and sewage processing projects for communities. Vale has also adapted its global internal standard for management of water resources and effluents to the guidelines of the International Council on Mining and Metals (ICMM), a global leadership organization which commits to implementing Mining Principles that set the highest of standards for responsible mining, and for delivery. The company also participates actively, directly or through representative entities, in forums on managing water resources in the hydrographic basins of regions where we operate, mainly in our area of influence, to contribute to discussions on water safety strategies.

We are committed to reducing fresh water use in our activities by investing in new technologies, in the expansion of our monitoring network and in other initiatives to control total water collection, especially by promoting water reuse, which in 2021 represented 81% of total production demand. We are currently developing programs and implementing actions that go beyond compliance with the legal requirements to optimize water use and consumption. The Water Target set in the year 2018 had a commitment to reduce freshwater withdrawal for use in our production processes. The goal was to reduce 10% of specific use by 2030. Throughout 2021 the accumulated results exceeded the established goal (achieved 20%). Thus, new goals are being prepared in 2022 focusing on the following pillars: Governance, Monitoring and Control, Water Risk Management and Stakeholder Engagement in the watershed where our operations are located aiming the continuous improvement of water resource management and always aligned with the best practices of Water Stewardship.