

# Corporate Human Rights Benchmark

## 2018

To the Corporate Human Rights Benchmark and all other interested stakeholders

Vale understands that the Corporate Human Rights Benchmark (CHRB) is an important initiative to foster the improvement of practices adopted by companies to implement the UN Guiding Principles on Business and Human Rights.

In order to give further information on Vale's alignment to the UN Guiding Principles on Business and Human Rights, the company elaborated this document, which gives information of its practices regarding each CHRB indicator.

### **A - Governance and Policy Commitments (Score - 10)**

#### **A.1.1 - Commitment to respect human rights**

**Score 1 - The Company has a publicly available statement of policy committing it to respect human rights OR the ten principles of the UN Global Compact (principles 1 and 2 include a commitment to respect human rights) OR the rights under the Universal Declaration of Human Rights (UDHR) OR the International Bill of Human Rights.**

At Vale, we operate our business in a manner that respects human dignity and seeks to achieve management excellence. We have a Code of Ethical Conduct whose principles guide our actions in relation to the diverse society groups impacted by our activities.

Furthermore, **Vale launched its Human Rights Policy in 2009, accordingly to the UN Business and Human Rights Framework and revised it in 2013, based on the UN Business and Human Rights Guiding Principles that were launched in 2011.** The policy was a first step to the implementation of Vale's Human Rights Management System that is aligned with the 5 steps of the UN Guiding Principles: Policy Assessment Integration Monitoring and Reporting Grievance Mechanisms.

Vale knows that in its activities, due to the characteristics of the extractive sector, there are numerous challenges regarding the respect of human rights. That is why the company is committed to maintaining a transparent dialogue along its value chain, as well as with governments and communities to respect human rights. Vale is also committed to develop and support activities that promote human rights within the

company and in local communities where it operates, collaborating for the effectiveness of these rights.

Whilst we know that it is the responsibility of the States to protect and promote human rights, we understand it is the duty of the private sector to respect, remedy (whenever the company's operations affect the human rights of employees or communities) and promote them to the extent of our activities.

Vale respects and promotes human rights in the following ways, accordingly to our Global Human Rights Policy:

- For employees, we endeavour to maintain a work environment that promotes professional and personal growth, encouraging them to respect the rights of other stakeholders. Each of our employees should have their rights respected by the company; similarly, each employee has an obligation to adopt a daily conduct and behaviour of observing human rights, be they of colleagues, teams or third parties. In other words, employees are rights holders and human rights agents. The company will only effectively respect human rights if its employees do so.
- In the value chain, we seek to establish relationships with suppliers, partners and customers under which they share our principles and values, promoting awareness and application of human rights protection, and continuously monitoring their performance to avoid human rights violation risks.
- With local communities and indigenous peoples, we maintain a relationship of continuous engagement, based on dialogue, mutual respect, and free, prior and informed consultation (as mentioned in our Sustainability Policy). We manage social and environmental risks and impacts carefully and support initiatives that contribute to socioeconomic and environmental development of the regions in which we operate, throughout the life cycle of our activities.
- We recognize the national sovereignty of the government of each country and contribute to the promotion of human rights wherever we are present.

Our commitment to society is expressed in multiple ways. We are a signatory of the United Nations (UN) Global Compact, which is a voluntary commitment to guarantee fundamental human rights in compliance with the UN 's Universal Declaration of Human Rights, we partner with local organizations and the public sector to help improve access of the communities to basic public policies and partner with our Foundations to do that.

**Evidence:**

**Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

**Score 2 - The Company's publicly available statement of policy also commits it to: the UN Guiding Principles on Business and Human Rights OR the OECD Guidelines for Multinational Enterprises.**

Vale has a publicly available statement of policy committing to respect Human Rights in its operations, projects and joint ventures. Besides our Global Human Rights Policy, Vale is signatory to the UN Global Compact. Vale launched its Human Rights Policy in 2009, accordingly to the UN Business and Human Rights Framework and revised it in 2013, based on the UN Business and Human Rights Guiding Principles launched in 2011. The policy was a first step to the implementation of Vale's Human Rights Management System that is aligned with the 5 steps of the UN Guiding Principles: Policy Assessment Integration Monitoring and Reporting Grievance Mechanisms.

**Evidence:**

**Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

**2014 - Sustainability Report (page 25):**

[www.vale.com/en/aboutvale/sustainability/links/linkdownloadsdocuments/2014-sustainability-report.pdf](http://www.vale.com/en/aboutvale/sustainability/links/linkdownloadsdocuments/2014-sustainability-report.pdf)

**A.1.2 - Commitment to respect the human rights of workers**

**Score 1 - The Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work OR the Company has a publicly available statement of policy committing it to respecting the ten principles of the UN Global Compact (principles 3 to 6 are based on the ILO Declaration on Fundamental Principles and Rights at Work).**

Vale Global Human Rights Policy includes the rights at work and the ILO conventions: Employees: we provide respectful working conditions and seek to promote educational activities enabling professional and personal development, of our employees. We maintain a healthy and safe place to work. We respect and value diversity and promote inclusion, not tolerating, any type of discrimination and/or harassment of any type whatsoever, be they moral or sexual. We respect and practice employees' right to freedom of association and collective bargaining in all our activities, in compliance with applicable local legislations. We prohibit the use of child labor or any types of employment practice that may be construed as equivalent to forced or mandatory labour... International References: ILO - International Labour Organization Conventions (29, 87, 98, 100, 105, 111, 138 and 182).

Vale is a member of the Global Compact since 2007. In 2011, Vale was invited to the LEAD Global Compact group and became part of the Global Compact Brazilian Committee. Therefore, several strategic and operational actions have been implemented in order to ensure total respect to Vale's commitment to the Global Business Initiative (GBI) and the fulfilment of the 10 principles of the UN Global

Compact. Vale's performance on each Principle is reflected in our sustainability reports since 2007.

**Evidence:**

**Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

[www.vale.com/hotsite/Style%20Library/RelatorioSustentabilidade/Docs/Vale%20Sustainability%20Report%202016.pdf](http://www.vale.com/hotsite/Style%20Library/RelatorioSustentabilidade/Docs/Vale%20Sustainability%20Report%202016.pdf) (p. 97)

**Score 2 - The Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work. This includes the commitment to explicitly respecting each of the fundamental rights as set out in the Declaration on Fundamental Principles and Rights at Work or also referred to as the ILO core labour standards (i.e. the elimination of forced or compulsory labour, the abolition of child labour, the elimination of discrimination in respect of employment and occupation and both freedom of association and the effective recognition of the right to collective bargaining) AND its publicly available statement of policy also commits it to respecting the health and safety of workers.**

Vale Global Human Rights Policy includes the right to collective bargaining and the respect for health and safety of our workers. Our Sustainability Policy and Code of Ethics Conduct also address health and safety of workers: Respect for life, with attention to preventive measures, care for wellbeing in the workplace, health and safety, facilities and routines in the Vale System, valuing its employees. Human Rights Policy: "employees: ...We maintain a healthy and safe place to work... We respect and practice employees' right to freedom of association and collective bargaining in all our activities, in compliance with applicable local legislations. Sustainability Policy (2016): One of Vale's principles is to prioritize risk and impact management, seeking zero harm<sup>1</sup> for its employees and communities and establishing a positive social, economic and environmental legacy in the territories where it operates...Vale will work consciously and responsibly across the life cycle of our projects, from their conception, through their implementation and, operation, to the closure of our activities, respecting the local culture where we operate. Vale will work to develop a sustainable development perspective with respect to Vale's products and services and their value chains. Our commitments in the areas of health, safety and environmental, social and economic responsibility are:

- To achieve zero harm, generating organizational learning and promoting active genuine care inside and outside Vale
- To meet legal requirements and continuously improve our processes and products, seeking increased efficiency in the use of natural resources and ecosystem services
- To manage risks and impacts, adopting elimination, mitigation, compensation and monitoring measures

- To promote a healthy, safe and respectful working environment
- To positively contribute to the evolution of our employees' and service providers' performance
- To pursue technological innovation through research and development of new technologies, and
- To work with responsibility, ethic and transparency, engaging with our stakeholders and fulfilling our commitments to obtain and license to operate

**Evidence:**

**Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

**A.1.3 - Commitment to respect human rights particularly relevant to the industry (EX)**

**Score 1 - The Company has a publicly available statement of policy committing it to Respecting human rights in maintaining the safety and security of operations based on relevant UN instruments or is a participant in the Voluntary Principles on Security and Human Rights (VPs) or only uses security providers who are members of the International Code of Conduct of Private Security Providers Association (ICoCA) AND to respecting indigenous people's rights or references the relevant part(s) of the ILO Convention on Indigenous and Tribal Peoples No.169 or of the UN Declaration on the Rights of Indigenous Peoples. In addition, the Company's policy commitment(s) also expects its extractive business partners to make these commitments.**

**Score 2 - The Company also has a publicly available statement of policy committing it to applying free, prior and informed consent (FPIC) in line with international law and standards on indigenous peoples AND to recognizing and respecting legitimate tenure rights related to the ownership and use of land and natural resources as set out in the Voluntary Guidelines on Responsible Governance of Tenure or the IFC Performance Standards or to a zero tolerance for land grabbing AND to respecting the right to water.**

**In addition, the Company's policy commitment(s) also expects its extractive business partners to make these commitments.**

**Note: CHRB will accept the ICMM statement on indigenous peoples as a commitment to FPIC for ICMM members.**

Vale Global Human Rights Policy and Global Sustainability Policy address FPIC and ILO 169. Human Rights Global Policy: Local, indigenous and traditional communities: we seek to maintain a detailed knowledge of territories where we operate or intend to

operate. To maintain a lasting engagement with communities and implement social, cultural, economic and environmental impacts management, and contribute to local sustainable development also promoting community initiatives in education, culture, urban development and sports. We respect and preserve the culture heritage, knowledge and practices of indigenous peoples within our influence area. Sustainability Policy: In cases where indigenous people and traditional communities are situated in the area of influence of the company's activities, specific legislation should be checked and done, promoting engagement, free, prior and informed consultation and risk and impact evaluation, in order to contribute to the promotion of the ethno-development of these people and communities... International References: OIT International Labour Organization Conventions (Conventions 29, 87, 98, 100, 105, 111, 138, 169 and 182)

**Evidence:**

[www.vale.com/pt/suppliers/code\\_conduct/documents/pol0019g%20%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol0019g%20%20sustainability%20policy_rev%2000_e.pdf)

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

[www.vale.com/pt/suppliers/code\\_conduct/documents/human%20rights%20policy.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/human%20rights%20policy.pdf)

#### **A.1.4 - Commitment to engage with stakeholders**

**Score 1 - The Company has a publicly available statement of policy committing it to engage with its potentially and affected stakeholders, including in local communities where relevant OR there is evidence that the company regularly engages with potentially and affected stakeholders.**

**[Further Guidance box: Engagement with potentially and affected stakeholders means engaging in a dialogue with all the stakeholders who might be, or are, impacted by the company's activities or with their legitimate representatives. Depending on the nature of the company's operations, this can include (but is not limited to) workers, their families, local communities and any other person or group of people whose life and environment might be impacted. Evidence of engagement in the last two years will count as evidence of regular engagement.**

**Score 2 - The Company's publicly available statement of policy also commits it to engaging with affected stakeholders and their legitimate representatives in the development or monitoring of its human rights approach OR there is evidence that the company regularly engages with affected stakeholders and their legitimate representatives in the development or monitoring of its human rights approach.**

Social dialogue is one of the fundamental tools for dealing with impacted communities. These communities are identified during the licensing process and updated on the stakeholder mapping process periodically. Through permanent channels of communication and the application of participatory methodologies, Vale shares

information and aligns interests and expectations, building solutions together with communities. The direct involvement of residents in the definition, implementation and follow-up of social actions makes the planning and execution of Relationship and Social Investment Plans possible in the communities in the 54 municipalities closest to Vale operations and projects in Brazil, adhering to local needs and priorities. The Relationship and Social Investment plans is an engagement strategy that adheres to the principle of mobilization and social participation in the definition and prioritization of social actions in the regions. The structuring of the solution aims to share responsibilities between the Company, the community and other social actors for local development.

Our global sustainability policy brings the importance of the engagement: To work with responsibility, ethic and transparency, engaging with our stakeholders and fulfilling our commitments to obtain and license to operate In cases where indigenous people and traditional communities are situated in the area of influence of the company's activities, specific legislation should be checked and done, promoting engagement, free, prior and informed consultation and risk and impact evaluation, in order to contribute to the promotion of the ethno-development of these people and communities Our global human rights policy also brings important guidance: Local, indigenous and traditional communities: we seek to maintain a detailed knowledge of territories where we operate or intend to operate. To maintain a lasting engagement with communities and implement social, cultural, economic and environmental impacts management, and contribute to local sustainable development also promoting community initiatives in education, culture, urban development and sports. We respect and preserve the culture heritage, knowledge and practices of indigenous peoples within our influence area. We promote human rights awareness-raising actions, with especial focus to the eradication of forced and child labour, in addition to promoting the rights of children and adolescents. This includes specific efforts to combat sexual exploitation of minors in the proximity of our projects under implementation and operations. The grievances mechanisms in 2016 registered, 5,117 community requests and complaints, of which 686 are were in progress by December 2016 and 222 were not appropriate for Vale to respond the others were duly dealt with during the period (data for 2017 will be published in April 2018).

**Evidence:**

**PPT attached** – KPI- Community Engagement

**Vale Global Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

**Vale Global Sustainability Policy:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)



### **A.1.5 - Commitment to remedy**

**Score 1 - The Company has a publicly available statement of policy committing it to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to.**

**Score 2 - The commitment also recognizes this should not obstruct access to other remedies OR includes collaborating in initiatives that provide access to remedy AND the commitment also includes working with business relationships to remedy adverse impacts which are directly linked to its operations, products or services through the business relationship's own mechanisms or through collaborating with those business relationships on the development of third party non-judicial remedies.**

Vale developed tools and methodologies to assess risk and impact and manage human rights issues. In addition to the legal process of environmental licensing, which are conducted impact assessment studies and proposed measures for prevention, mitigation and compensation for any impacts, Vale also has a system for managing impacts on communities, called SDI (Stakeholder, Demands and Issues) which is operated by a team of professionals in community relations, to manage demand and enable the non-judicial referral and monitoring of judicialized cases. 2015 Sustainability Report: P. 55, 57, 58, More information can be found in item B.1.3.2015.

Vale commits to cooperate with the authorities in the investigation of any incidents involving allegations of disrespect of these rights along its production chain at its Human Rights Policy. A new revision of Vale Global Human Rights Policy to be approved in 2018 will address and explicitly mention the remediation commitment.

#### **Evidence:**

##### **Vale Global Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

Vale has a Human Rights Policy committing to respect human rights. Our commitment towards the respect for the community, community leaders and human rights defenders is reflected in the part: "local, indigenous and traditional communities: we seek to maintain a detailed knowledge of territories where we operate or intend to operate. To maintain a lasting engagement with communities and implement social, cultural, economic and environmental impacts management, and contribute to local sustainable development also promoting community initiatives in education, culture, urban development and sports. We respect and preserve the culture heritage, knowledge and practices of indigenous peoples within our influence area. We promote human rights awareness-raising actions, with especial focus to the eradication of forced and child labour, in addition to promoting the rights of children and adolescents. This includes specific efforts to combat sexual exploitation of minors in the proximity of our projects under implementation and operations".



Moreover, we do have in our Code of Ethics and Conduct provisions that covers the rights and respect for Rights defenders: 1.4 Acting in strict accordance with all applicable laws, including anticorruption and anti-bribery laws, which apply to the operations of the company in the countries where it operates 1.7. Being diligent and responsible in the relationships with authorities, customers, competitors, suppliers, community members and all other individuals, companies and organizations that the company works with in the course of its regular activities, always seeking to preserve the good reputation, image and relationships of the company 1.13. Acting in accordance with social responsibility and respect for human dignity.

On the Code, there are also conducts that are considered unacceptable and subject to disciplinary measures: 2.2. Discriminating based on ethnicity, national origin, gender, sexual orientation, religious belief, union affiliation, political or ideological beliefs, social class, condition with special needs, marital status or age 2.3. Harassment of any kind, including sexual or moral, causing the embarrassment or discomfort of others.

Therefore, the illegal intimidation of Human Rights defenders is not allowed in the company. Whenever there are conflicts with community leaders and they act against the law, we seek the judiciary/ legal process to address the situation. Never engage directly on any illegal intimidation of any sort.

**Evidence:**

**Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

**Vale's Code of Conduct:**

[www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics\\_conduct\\_vale.pdf](http://www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics_conduct_vale.pdf)

**Business and Human Rights Vale's Positioning:**

[www.business-humanrights.org/en/search-results?langcode=en&keywords=Companhia+Vale+do+Rio+Doce+%28now+Vale%29&page=0](http://www.business-humanrights.org/en/search-results?langcode=en&keywords=Companhia+Vale+do+Rio+Doce+%28now+Vale%29&page=0)

**A.1.6 - Commitment to respect the rights of human rights defenders**

**Score 1 - The Company has a publicly available statement of policy committing it to zero tolerance of neither tolerate nor contribute to threats, intimidation and attacks (both physical and legal) against human rights defenders in relation to its operations.**

**Score 2 - The Company also meets the requirements under the industry lock below.**

The Company does not tolerate threats, intimidation or physical attacks against no one representing the human rights cause such as human rights defenders and journalists.

Besides that, Vale responds to all public allegations publicly. Vale respects the freedom of expression, manifestation and meeting of all people, provided that they do not represent risk and impact to security and safety of its employees, contractors, citizens and society and do not compromise operational activities, increase safety risk and the right to come and go from the citizens who use the public rail passenger transport and cargo.

Vale is the concessionaire of the Union for the railway and must protect and guarantee the continuity of the activities of railway and mining. If there is any threat of real estate intrusion or obstruction of the railways, Vale uses the judicial system through civil or criminal actions to ascertain the security and safety of its operations.

Therefore, the company does not have intimidation practices, and only seeks the judiciary to protect its rights against threats and recurring invasions of its properties and the railroads, including because it is the invasion of buildings and obstruction of Railroad crimes provided for in the Penal code.

Vale reinforces that it has channels for the receipt of complaints from the community, in addition to managing impacts and developing sustainable dialogues, and which respects the democratic state of law.

**Evidence:**

**Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/human-rights-policy.pdf)

**Vale's Code of Conduct:**

[www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics\\_conduct\\_vale.pdf](http://www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics_conduct_vale.pdf)

**Business Human Rights Vale's Positioning:**

[www.business-humanrights.org/en/search-results/?langcode=en&keywords=Companhia+Vale+do+Rio+Doce+%28now+Vale%29&page=0](http://www.business-humanrights.org/en/search-results/?langcode=en&keywords=Companhia+Vale+do+Rio+Doce+%28now+Vale%29&page=0)

**A.2.1 - Commitment from the top**

**Score 1 - The Company's human rights policy commitments are approved by the Board or the CEO by name AND a Board member or Board committee is tasked with specific governance oversight of one or more areas of respect for human rights.**

The message from the Chief Executive Officer is possible to see on the Sustainability Report 2015, page 11.

Vale Global Human Rights Policy was approved at the highest level of company management, the Board of Directors.

At the 2014 Sustainability Report, Vales CEO mentions how relevant the value of life is to the company and talks about Vales approach to minimize safety risks. He also talks about the necessity to dialogue with the communities adjacent to Vales projects, as well as to manage and mitigate environmental and social impacts.

He also addresses Vales commitment on promoting the rational use of water, stimulating the development of innovative technology.

He reaffirms Vales commitment to the UN Global Compact relating to human rights, labor rights, combating corruption and the protection of the environment.

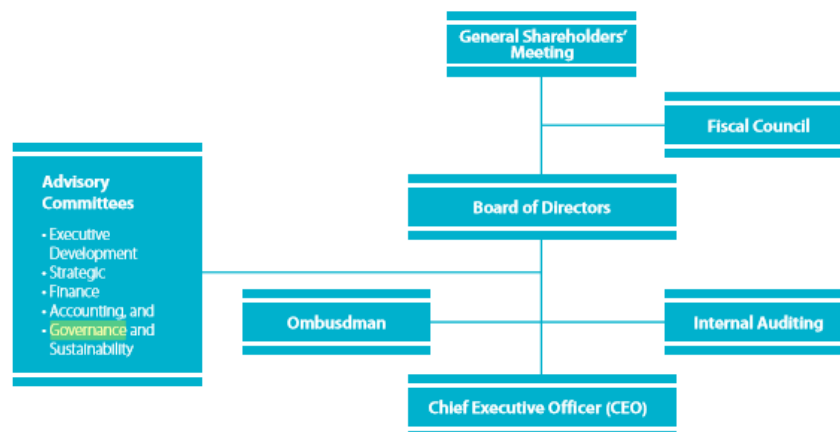
### Evidence

**2015 Sustainability Report** (p 11)

[www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/2015-Sustainability-report.pdf](http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/2015-Sustainability-report.pdf)

**Score 2 - Board members or the CEO make speeches, presentations or other communications setting out the Company's approach to human rights or discussing its business importance.**

Governance structure - Vale adopts as the guiding principles of its corporate governance model the clarity of roles, transparency, and stability. Thus, it maintains its rhythm of growth and creation of value for all its stakeholders stable. Internally, other commitments support management, such as the Sustainability Policy, Global Mitigation, and Adaptation to Climate Change policy, Human Rights Policy and Global Anti-Corruption Policy. All of these guidelines are widely disseminated and permeate the actions adopted by professionals occupying the following structure:



**Sustainability Report 2016:**

[www.vale.com/hotsite/Style%20Library/RelatorioSustentabilidade/Docs/Vale%20Sustainability%20Report%202016.pdf](http://www.vale.com/hotsite/Style%20Library/RelatorioSustentabilidade/Docs/Vale%20Sustainability%20Report%202016.pdf)

## A.2.2 - Board discussions

**Score 1 - The Company describes the process it has in place to discuss and address human rights issues at Board level or the how the Board or a Board committee regularly reviews the Company's salient human rights issues OR it provides examples of specific human rights issues discussed or examples of trends in types of human rights issues discussed at Board level or a Board committee during the Company's last reporting period.**

**Score 2 - The Company meets both of the requirements under Score1.**

Vale has just gone through a restructuring of the Sustainability area with the definition of an executive director that responds to the CEO and with a global sustainability director and a robust team with corporate and regional managers, experts and employee and a specific area for Human Rights management.

In relation specifically for the human rights impacts (understanding that these are formed by socioeconomic and environmental impacts), a governance structure was established that follows the delegation Norm and raises issues that cannot be solved at the local and regional levels to the executive directors' board and Council. Vales ombudsman responds directly to the Council and addresses, amongst others, allegations of human rights impacts and violations. The Ombudsman's Office reinforces this structure directly linked to the Chairman of the Board of Directors who is responsible for providing information to the Fiscal Council and to the Governance and Sustainability Committee. The channel is also tasked with the improvement of ethical awareness, acting as a proactive, transparent, independent, and impartial tool in handling claims, including human rights claims. The issues are discussed monthly.

**Evidence:**

**Vale's website:**

[www.vale.com/brasil/PT/investors/company/corporate-governance/board-committees-councils/Paginas/default.aspx#committees](http://www.vale.com/brasil/PT/investors/company/corporate-governance/board-committees-councils/Paginas/default.aspx#committees)

## A.2.3 - Incentives and performance management

**Score 1 - The Company indicates that at least one Board member has an incentive or performance management scheme linked to an aspect of the Company's human rights policy commitment(s). If the Company has linked its incentive scheme to only one aspect of its human rights policy commitment(s), this aspect is one of the Company's key industry risks.**

In addition to fixed-sum remuneration, the Executive Directors and other company leaders receive bonuses and incentive payments insofar as they meet individual and

collective goals to achieve the company's strategic results, related to financial, operational/ technical and sustainability indicators.

The Board and all Vale's leadership have a bonus related to health and safety. The target includes the performance on three indicators:

- implementation of the Integrated Management System (HSE)
- implementation of the Critical Activities Requirements\*
- this one can be chosen from a list of indicators, being one of the options related to community safety

\* These activities considered more critical at Vale's operations have very strict procedures and requirements that must be accomplished.

All employees, including the Executive Directors and other company leaders, have a Sustainability KPI, which is part of their variable remuneration scheme. The Sustainability indicator includes the execution of the community relations plan determined at the beginning of each year for each operation.

**Evidence:**

**2015 Sustainability Report** (pages 28 and 29)/ The 2017 Sustainability Report will be published on April 2018.

**Score 2 - The criteria linking Board remuneration to human rights performance is also made public.**

Vale's variable remuneration program (bonus) is based on key process indicators (KPI) of economic-financial performance, operational excellence and sustainability, linked to continuous improvement and applicable to all employees. The Sustainability indicators cover aspects such as water, energy, emissions, residues, recovery of degraded areas, as well as indicators related to social issues identified on the Community Relationship Plans management system. The following are the screens of the Community Relationship Plans management system, which are directly linked to variable remuneration processes and cover various aspects of Human Rights, amongst them: access to water, housing, mobility, support for income generation and Access to food, among others.

**Evidence:**

**2015 Sustainability Report** (pages 28 and 29)/ The 2017 Sustainability Report will be published on April 2018.

## **B - Embedding respect and Human Rights Due Diligence**

### **B.1.1 - Responsibility and resources for day-to-day human rights functions**

**Score 1 - The Company indicates the senior manager role(s) responsible for relevant human rights issues within the Company (i.e. responsibility for human rights is assigned to a senior manager(s)) and this includes the ILO core labour standards at a minimum.**

**Score 2 - The company also describes how day-to-day responsibility is allocated across the range of relevant functions and geographies of the Company.**

Vale's Human Rights management is part of the Sustainability Executive Area and Director. It has a specific structure with a senior manager and a team of five experts that work in coordination with different departments.

Strategic human rights issues, as well as the approval of the Global Human Rights Policy, are addressed in the Board of Directors and in the specific sustainability committee.

Operationally, since 2008, Vale has been aligned with U.N. Protect, Respect and Remedy Framework. Vale's human rights management is aligned with Guiding Principles on Business and Human Rights and are organized into 6 macro processes since 2011:

1 – Policy: development of a Human Rights policy since 2009, revised in 2013, as well as its Implementation Guide, online course and permanent training for employees and third parties.

2 and 3- Assessment / Integration: integrating human rights into business risk analysis and processes, including supplier risk assessments, as well as impact assessment processes

4 - Tracking / Reporting: monitoring of the action plans established based on the risk analysis, reporting through the sustainability report

5 - Grievance Mechanisms: Ombudsman Channels, Alô Ferrovia, Contact Us, Community Relations Teams, Response to Allegations

6 - Human Rights Promotion: support and defence of relevant causes for Vale, development of cases and positions and engagement with institutions of reference.

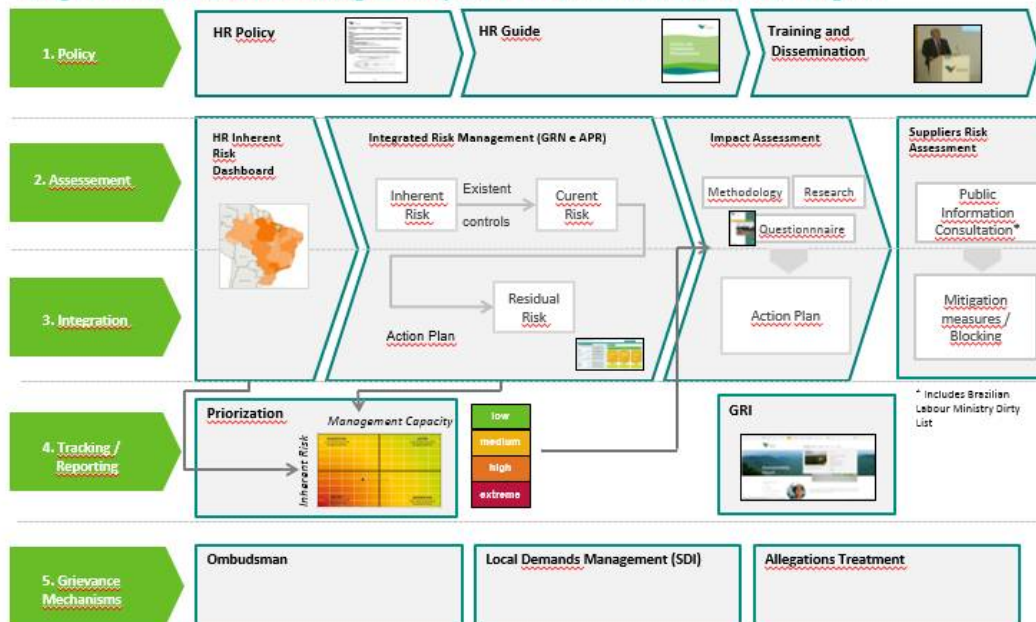
The direct structure counts on financial resources and professionals that support the normative processes, qualification, answers to the allegations, risk analysis, grievance and due diligence.

Human rights guidelines are global and applied in all locations where Vale operates.

Evidence:

## HR Management Process

Aligned with the UN Guiding Principles on Business and Human Rights



Human Right Policy:

[http://www.vale.com/PT/suppliers/code\\_conduct/Documents/Human%20Rights%20Policy.pdf](http://www.vale.com/PT/suppliers/code_conduct/Documents/Human%20Rights%20Policy.pdf)

Code of Ethics and Conduct:

[http://www.vale.com/brasil/PT/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/code-of-ethics\\_conduct\\_vale.pdf](http://www.vale.com/brasil/PT/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/code-of-ethics_conduct_vale.pdf)

2016 Sustainability Report – pages 22, 23, 97, 101, 102 e 103. :

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx.aspx>

### B.1.2 - Incentives and performance management

Score 1 - The Company indicates that it has an incentive or performance management scheme linked to aspects of its human rights policy commitment(s) for at least one senior manager.



**Score 2 - The criteria linking the senior manager(s)' remuneration to the Company's human rights performance is also made public.**

Vale has a broad variable remuneration program that affects the company's own employees and is a way of rewarding them for their contribution to the company's results. It is based on indicators of economic-financial performance, operational excellence and sustainability, linked to continuous improvement. The Sustainability Key Performance Indicators (KPIs) cover aspects such as water, energy, emissions, residues, recovery of degraded areas, as well as indicators related to social questions at the operational units.

All goals are negotiated, defined and entered to the CSP - Career, Succession and Performance monitoring system - until April of each year. As already mentioned, for Sustainability targets this subject is addressed in three dimensions, Environment, Energy and Social. The main indicators of each dimension are generally shown below:

- Environment: Water, Contaminated Area, Effluent, Atmospheric Emissions, Recovery of Degraded Areas and Waste.
- Energy: Fuel and Electric Energy Consumption
- Social: Reducing Time of Railroads Shutdowns, Addressing Critical/Relevant Issues, and Social work in Critical Communities, including Indigenous Peoples and Traditional Communities

The proposal of Social indicators is to set targets linked to key social issues in the regions where Vale operates. Social indicators include goals related to Human Rights processes. In 2017 Social KPI, for example, there was a specific indicator related to Human Rights training, which was directed to operational teams, and involved 17 operational managers. Over 1500 people from the operations were trained in the theme. In addition, Resettlement and Relationship with Indigenous Peoples issues were also monitored through indicators in the operations where the processes were applicable.

**Evidence:**

**2016 Sustainability Report** – pages: 23 e 37

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx.aspx>

### **B.1.3 - Integration with enterprise risk management**

#### **Score 1 - The Company describes how attention to human rights risks is integrated as part of its broader enterprise risk management systems.**

Vale adopts the U.N. Guiding Principles towards to enterprises on human rights, from United Nations, and have in its own Human Rights Policy, issued in 2009, the mandate overarching the principles and key issues that must be followed by the operations. Aligned with the evolving of such policy, in 2015, the company included the human rights aspects in its operational risk management ensuring that such issues are due identified and assessed in the operations.

Such approach, strengthens Vale's journey towards "zero harm" with no difference between employees and surrounding communities promoting a positive social, economic and environmental legacy allowing our social license to operate.

Annually periodic assessments are carried out, in the Integrated Management System scope, in which check of the effectiveness of the risk management is a compulsory part including specifically HR aspects.

#### **Score 2 - The Company also describes how the Board Audit Committee or an independent assessment was carried out of the adequacy of the enterprise risk management systems in managing human rights during the Company's last reporting year.**

In Vale's governance there are two significant committees one in charge to perform a critical review on internal audits results and other one responsible for risk and compliance. One item systematically discussed in both committees are the results verified on the risk assessment, from the internal audit function, including the human rights perspective and related to issues in areas including mobility, noise disturbance and vibration, land access, amongst other issues.

In the other hand, annually audits are carried out by HS function, aiming to assess the design and operational effectiveness of the EMS processes and data across a sample of our operations including the risk management. One of the outcomes of such process is the creation of detailed management plans to address the identified gaps and the key findings are reported to the Health and Safety Committee including, where appropriate, Risk and Compliance and Audit Committees. Another is the revision of procedures, feeding back into the whole human rights management.

**Evidence:**

1. NFN-01 - Risk Norm highlighting its severity table including the HR dimension, as well as an example of applicability of such risk assessment (e.g.: Carajás railroad)

**Norma de Planejamento, Desenvolvimento e Gestão**


NFN-0001

Rev.: 11-14/06/2017

DFS 0020/2017

USO INTERNO

**Tabela 1 – Severidade dos Impactos**

Level		Human Rights and Social
Light	<b>2</b>	Punctual impact (a person or a family), without affecting physical integrity and without the need for urgent remediation.
Moderate	<b>4</b>	Local impact (neighborhood, community), without affecting physical integrity and without the need for urgent remediation.
Serious	<b>8</b>	Regional impact (one or more municipalities) without affecting physical integrity and without the need for urgent remediation.
Critical	<b>16</b>	Punctual impact (a person or a family), without affecting physical integrity, but in need of urgent remediation.
Catastrophic	<b>32</b>	Local (neighborhood, community) or regional impact (one or more municipalities), without affecting physical integrity, but in need of urgent remediation.

Área	Processo	Tipo de Efeito	Situação de Riscos / Aspecto Ambiental	Condição	Detalhamento	Causa(s)	Efeito
EPC > Via Permanente > Via permanente	EPC - Operar Ferrovia > Operar Trend Operar	Social & Direitos Humanos	Exploração sexual de crianças e adolescentes	Emergência		Vulnerabilidade social	Alteração da ocorrência de exploração sexual de crianças e adolescentes
EPC > Via Permanente > Via permanente	EPC - Operar Ferrovia > Operar Trend Operar	Social & Direitos Humanos	Aumento dos índices de violência	Emergência	Vila Maranhão, Vila Jacu, Sítio e Maranhão (loais de maior ocorrência)	Ausência de iluminação, poda, capina e cercamento das PIV's Falta de segurança públicas e outros fatores existentes	Alteração dos índices de violência

Nome do Projeto / Atividade	Estação Ferro Carajás
Endereço	

RISCO PURO			RISCO ATUAL					
PONTUAÇÃO			CONTROLES			PONTUAÇÃO		
Prob/Freq	Sev	Risco	Prevenção	Monitoramento	Mitigação	Prob/Freq	Sev	Risco
Frequente	Catastrófica	MUITO ALTO	Regras de ouro			Ocasional	Catastrófica	MUITO ALTO
Provável	Catastrófica	MUITO ALTO	Realização de podas e capinas Manutenção da iluminação das PIV's	Monitoramento de rotina feita a cada 15 dias Manutenção feita junto a comunidade	Alô Ferrovia	Provável	Catastrófica	MUITO ALTO

RISCO RESIDUAL									
RECOMENDAÇÕES			PONTUAÇÃO			APLICABILIDADE	OBSERVAÇÕES	PAE	Cenário
Prevenção	Monitoramento	Mitigação	Prob/Freq	Sev	Risco				
Expansão do Programa Proteção é Preciso localmente e Fortalecer o Conselho			Pouco Provável	Catastrófica	ALTO	Direito de proteção da infância			1
Intensificar a manutenção de áreas verdes (capina e poda) instalar e manter	Monitoramento do tempo de resposta do Alô Ferrovia	Melhoria do tempo de resposta do Alô Ferrovia	Pouco Provável	Grave	BAIXO	Direito à qualidade de vida			2

## 2. Hazards and Risks/Aspects and Impacts/Management of Change

Vale's business is managed to identify and register risks and opportunities that may influence the range capability of the expected results, minimizing risks and impacts and maximizing opportunities according specific evaluation matrix. This process considers legal requirements, hazard and aspects identification, impacts and risks assessment

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### Vale's Integrated Management System Manual



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INTERNAL USE

and the adoption of appropriate measures to control health, safety, environment, communities and human rights risks and impacts for its activities, the organization context and stakeholder requirements.

The areas shall ensure that the management of risks and impacts is implemented as matrix, implementing the necessary controls, according controls hierarchy.

The risks are being discussed during the regular meetings of the Compliance and Risk Committees, beside the Fiscal one. The link below describes such governance and includes the descriptions of the respective status.

#### Vale's website:

<http://www.vale.com/brasil/PT/investors/company/corporate-governance/board-committees-councils/Paginas/default.aspx>

[http://www.vale.com/brasil/PT/investors/company/corporate-governance/board-committees-councils/Documents/regimento\\_interno\\_conselho\\_fiscal\\_p.pdf](http://www.vale.com/brasil/PT/investors/company/corporate-governance/board-committees-councils/Documents/regimento_interno_conselho_fiscal_p.pdf)

#### B.1.4.a - Communication/dissemination of policy commitment(s) within Company's own operations

**Score 1 – The Company describes how it communicates its policy commitment(s) to all workers, including local languages where necessary.**

Vale communicates its commitments to Human Rights, to employees, through the Global Human Rights Policy, the Human Rights Guide and the Code of Ethics and

Conduct and training programmes. The policy is available in Portuguese and English and is been translated into other languages.

All employees, when they start their activities at Vale, participate in a presentation of general guidelines called “ambience”, which clarifies operational issues of human resources, health and safety, anti-corruption, and Vales commitments, such as Human Rights and Sustainability Policy, as well as the Code of Ethics and Conduct. Ombudsman channels are informed, both telephone and electronic. At that moment a copy of the Code of Ethics and Conduct is also being delivered, which must be signed, after read by the employee, on the last page to be highlighted and delivered to the company representative. In addition to the ambience, all employees are oriented to provide training in topics such as health and safety, information security, human rights, code of ethics and conduct, global anti-corruption program, diversity and other behavioural and technical issues.

The training program is developed by the corporate university called Valer. The specific training in Human Rights is done both online and in person in the operational and corporative areas.

As for the Code of Ethics and Conduct, it is available in Portuguese, English, French, Mandarin, Japanese, Korean and Indonesian / Bahasa. Below are the screens of the employee’s intranet where possible to access the document, as well as other normative documents and ombudsman channels.

**Score 2 – The Company also describes how it communicates its policy commitments to stakeholders, including local communities and potentially affected stakeholders AND the Company provides an example of how it ensures the form and frequency of the information communicated is accessible to its intended audience.**

At the same time, the communication of human rights commitments is made to other stakeholders in several ways:

- Vale's website provides the Human Rights Policy, the Code of Ethics and Conduct, the Sustainability Policy and the Sustainability Report, all global documents;
- Vale participates in strategic initiatives on the subject and dialogues with various stakeholders, such as the Global Business Initiative on Human Rights (GBI), Voluntary Principles on Security and Human Rights, Columbia Centre on Sustainable Investment (CCSI); OECD (BIAC); Global Fund to Fight Aids, Tuberculosis and Malaria (Global Fund); Inter-Governmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF); Sustainable Development Solutions Network (SDSN); The Extractive Industries

Transparency Initiative (EITI); World Business Council for Sustainable Development (WBCSD);

- ITV (Instituto Tecnológico Vale), a non-profit institution created in 2009 for postgraduate research and teaching, whose objective is to create future options through scientific research and the development of technologies, expanding knowledge and sustainable business frontiers, supports initiatives in the areas of sustainability (socioeconomics, biodiversity, water and environmental technology) and mining;

- The Community Relations team carry out social dialogue and share / disseminate Vale's positions to the communities, supporting Vale's decision-making for impact management and social investment;

- The Vale Foundation, whose mission is to contribute to the integrated economic, environmental and social development of the territories where Vale operates, strengthening human capital in communities and respecting local cultural identities, supports social investment actions in the areas of health, education, employment and income generation, culture and sport. Strategic projects are developed to address human rights issues such as protection of the rights of children and combat of sexual exploitation of children and adolescents, basic health and basic education.

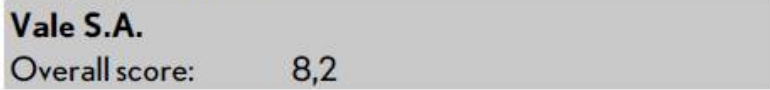




## Corporate Sector & Children's Rights Benchmark

Regional update 2018

### Company Scorecard:



Using publicly available information, this benchmark study assesses the following company organizational responses regarding children's rights impact:



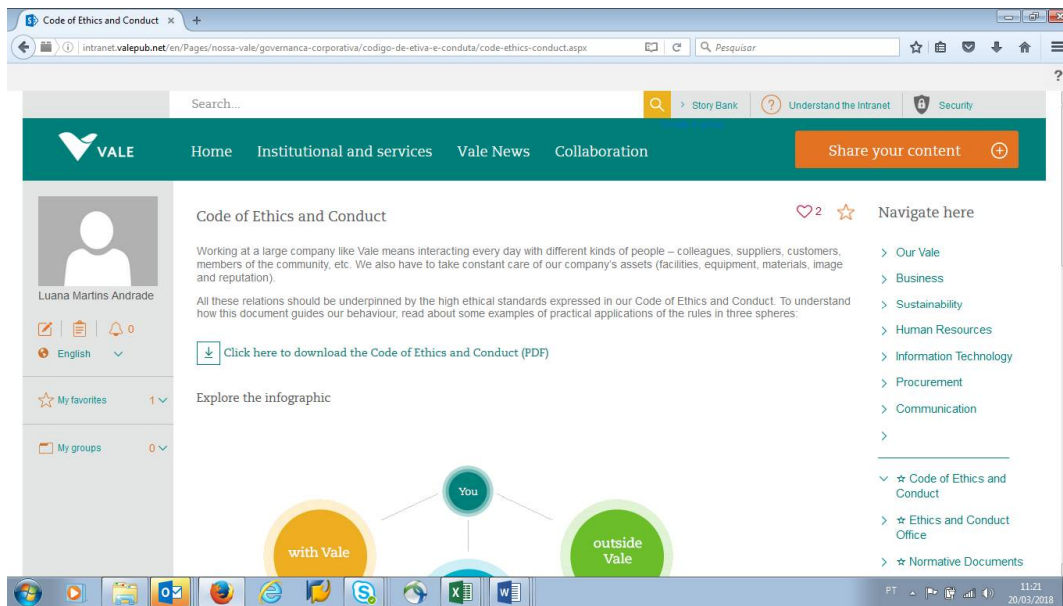
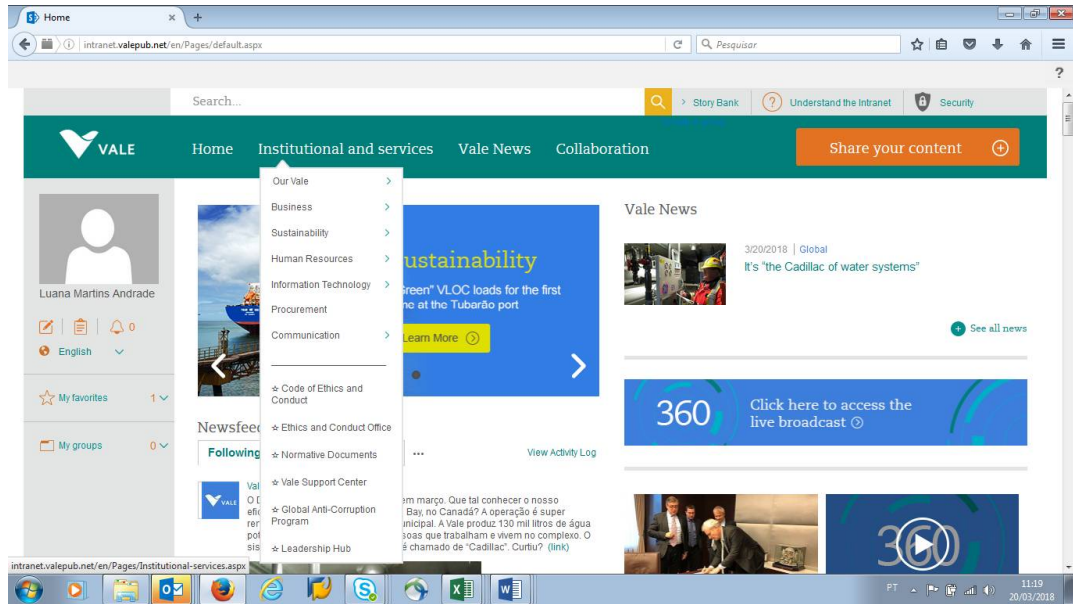
...in the following impact areas:



Each area is scored between 0 and 10, with 10 being the best possible score.

### Evidence:

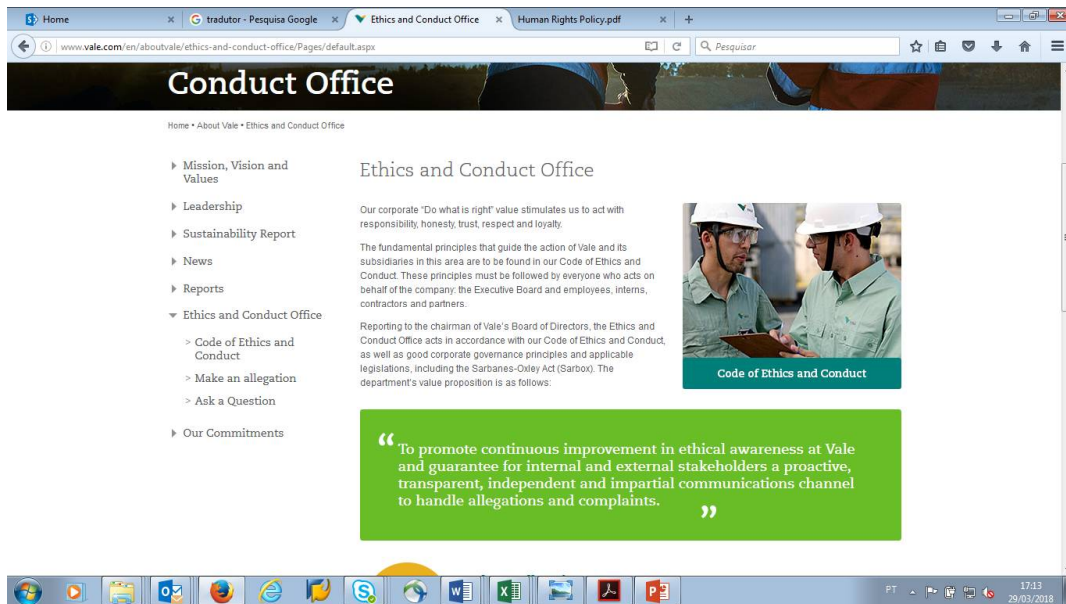
- Intranet for employees:





## Vale's Code of Conduct:

([http://www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics\\_conduct\\_vale.pdf](http://www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics_conduct_vale.pdf))





### Vale's Code of Conduct:

[http://www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics\\_conduct\\_vale.pdf](http://www.vale.com/EN/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/codigo-conduta-etica/code-of-ethics_conduct_vale.pdf)

### ITV (Instituto Tecnológico Vale):

<http://www.itv.org/en/>

### Fundação Vale:

<http://www.fundacaovale.org/SitePages/Home.aspx>

### Vale's website:

[www.vale.com](http://www.vale.com)

### Corporate Sector and Children's Rights Benchmark

#### B.1.4.b - Communication/dissemination of policy commitment(s) to business relationships

**Score 1 - The Company describes the steps it takes to communicate its human rights policy commitment(s) to its business relationships.**

**Score 2 - The Company describes how its human rights policy commitments are reflected within contractual or other binding arrangements with its business relationships.**

The Supplier Code of Conduct requires suppliers to comply with the Human Rights Policy, which describes the institutional commitment towards the UN Guiding Principles.

Find below the standard contractual clause concerning the accession of partner companies with commitments on human rights management.

“(Every supplier has to) comply with the Supplier Code of Conduct, the Sustainable Development Policy, Human Rights Policy, Health and Safety Policy and the Greenhouse Gas Program Protocol (GHG) VALE, which were reported to the CONTRACTOR previously the formalization of this Agreement, integrate it as an integral and inseparable part, and will remain available on the website [www.vale.com](http://www.vale.com) throughout their lifetime and CONTRACTOR in all its activities related to this Agreement and on behalf of VALE comply, at all times, with all regulations, laws and applicable laws, including but not limited to, the Foreign Corrupt Practices Act (15 USC §78 -dd-1, et seq., as amended) and the Brazilian anti-corruption law (law No. 12,846 / 2013), as well as any other anti-bribery law, anti-corruption law or the law on conflicts of interest applicable to the Contractor or to VALE”

Since 2010, in Brazil, the company includes a sustainability clause in contracts with suppliers making it obligatory for suppliers to comply with the Code of Ethics and Conduct for Vale’s Suppliers and to adopt Vale’s Sustainable Development Policy and the Human Rights Policy.

Vale’s Code of Ethics and Conduct has been reviewed and a chapter on Human rights has been included.

In addition, to be registered at our supplier database, all companies must sign a commitment term where they agree:

- accept the principles contained in the Vale Suppliers’ Code of Ethics and Conduct;
- strive to comply with the terms and conditions of the Code and to seek to keep in line with it, to develop it and to integrate it into management processes;
- seek to share with Vale and its respective network of suppliers its efforts, difficulties and achievements in incorporating the proposed practices aiming at the sustainability of the company’s business.

**Evidence:****Suppliers Code of Conduct:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/codigo-etica-conduta-fornecedor.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/codigo-etica-conduta-fornecedor.pdf)

**Business and Human Rights Resource Center Survey:**

<http://business-humanrights.org/en/vale-0>

**B.1.5 - Training on Human Rights**

**Score 1 - The Company indicates that all its workers are trained on its human rights policy commitment(s) OR it describes how relevant managers and workers receive specific human rights training relevant to their role.**

**Score 2 - The Company meets both of the requirements under Score 1.**

The Human Rights training program reached 400 leaders, managers and directors of operational and corporate areas, as well as around 1500 employees from various locations and areas of the company. These trainings were conducted in online bases, in company classes and in chat with the presence of guests. Specifically in relation to employees and contractors in the area of business security, the program covered another 1000 professionals and is in line with the action plan for the Voluntary Principles on Security and Human Rights.

Among the leaders, training addresses Human Rights and reinforces issues related to labor rights and people management, the impacts of operations on communities, including indigenous peoples and the management of human rights in business affairs, including the perception of strategic stakeholders and initiatives such as the CHRB.

Regarding the Code of Conduct and Ethics, as well as the Anti-Corruption program, both are mandatory for all employees annually.

The data cited will be addressed in the Sustainability Report 2017

**Evidence:**

2017 Sustainability Report – will be available after 20<sup>th</sup> April 2018.

### **B.1.6 - Monitoring and corrective actions**

**Score 1 - The Company describes how it monitors its implementation of its human rights policy commitment(s), which include the ILO core labour standards at a minimum, which covers the Company globally and relevant business relationships.**

**Score 2 - The Company also describes its corrective action process (es) and numbers of incidence AND provides an example of its corrective action process (es) in practice.**

In 2018, Vale announced the new sustainability structure, which encompasses the Human Rights management of Relations with Communities, including a specialized team for the relationship with Indigenous Peoples and Traditional Communities, Socioeconomics Management and Human Rights Management.

Among the objectives planned for HR management are the Human Rights Impact Assessment, including evaluation with internal resources and with the support of third parties, the expansion of coverage of grievance mechanisms and the execution of Due Diligence in strategic projects.

Currently, monitoring of human rights is conducted as follows:

#### *Human rights due diligence:*

The existing risk management processes at Vale have in place an auditing model through the HSE Management System. Vale includes human rights aspects as part of the auditing process.

#### *Employees*

Vale has a rigorous process for hiring and control the access to its facilities makes that the risk of forced or child labour among employees does not exist.

Vale has an ombudsman channel, the Ethics and Conduct Office, which is accessible to all workers to raise complaints/concerns, including those related to discrimination and harassment. Data related to discrimination cases are reported annually at the Sustainability Report.



Engagement with labour union occurs through constant dialogue, including formal meetings to deal with relevant matters, including health and safety.

The formal collective agreement includes the permission for labour unions to conduct campaigns inside Vale's operations and offices.

#### *Security teams (employees and contractors)*

Our security teams (employees and contractors) are trained in human rights and we are aligned with the Voluntary Principles on Business and Human Rights commitment.

Our security teams working locally at our operations are responsible for monitoring contractors of private security forced performance and compliance to Vale's policies.

#### *Local, indigenous and traditional communities*

Vale has a specialized team of Community Relations, including indigenist professionals for Relations with Indigenous Peoples, which is responsible to identify potentially affected people, engage with them and manage their concerns and impacts caused by Vale's operations and projects. The Relations Community teams are responsible for receiving the complaints and guarantee that these are addressed by the operational areas. They are responsible to monitor the solution of these problems.

To manage and address their (local communities, including indigenous peoples) demands and concerns there is a tool called SDI - Stakeholder, Demands and Issues, where complaints, demands, issues and stakeholders are registered.

#### *Suppliers (contractors), partners and customers*

Vale has a team called NACT (Núcleo de Análise de Contratos com Terceiros - Centre for Contract Assessment in Portuguese) which provides technical service analysis of labour and social security data for Vale contract managers. This service aims to minimize the risk of disrespect of labour rights from contractors acting within Vale's premises.

The analysis of documentations are conducted to ensure compliance with legislation regarding the payment of wages, benefits and discounts, compliance with collective agreements, registration of employees and validity of any dismissals, compulsory social insurance costs and payment of FGTS (Fundo de Garantia por Tempo de Service - Guarantee Fund for Length of Service in Portuguese).

Based on these analyzes, discussions are held with the contractors in order to clarify any discrepancies and corrections are demanded. When corrections are not done, contract managers must impose the appropriate sanctions specified in the contract.

Besides that, our process to assess the performance of contractors, called IDF (Índice de Desempenho do Fornecedor - Supplier Performance Index in Portuguese), includes a chapter regarding legal labour obligations.

**Evidence:**

**Vale's website:**

<http://www.vale.com/EN/aboutvale/our-commitments/Pages/default.aspx>

**Code of Ethics and Conduct:**

[http://www.vale.com/brasil/PT/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/code-of-ethics\\_conduct\\_vale.pdf](http://www.vale.com/brasil/PT/aboutvale/ethics-and-conduct-office/code-of-ethics/Documents/code-of-ethics_conduct_vale.pdf)

**Sustainability Policy:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

**Human Rights Policy:**

[http://www.vale.com/PT/suppliers/code\\_conduct/Documents/Human%20Rights%20Policy.pdf](http://www.vale.com/PT/suppliers/code_conduct/Documents/Human%20Rights%20Policy.pdf)

**Supplier Code of Ethics and Conduct:**

[http://www.vale.com/\\_layouts/ValePageNotFound.aspx?requestUrl=http://www.vale.com/brasil/EN/suppliers/code\\_conduct/Documents/C%C3%B3digo%20do%20Fornecedor%20-%20Supplier's%20Code.pdf](http://www.vale.com/_layouts/ValePageNotFound.aspx?requestUrl=http://www.vale.com/brasil/EN/suppliers/code_conduct/Documents/C%C3%B3digo%20do%20Fornecedor%20-%20Supplier's%20Code.pdf)

**B.1.7 - Engaging business relationships**

**Score 1 - The Company describes how human rights performance is taken into account in the identification and selection of potential business relationships OR decisions to renew, expand or terminate business relationships.**

Certified suppliers go through assessments/checks on corporate safety, frauds and corruption. And if any irregularity comes to the attention, the issues are investigated and if it is confirmed, supplier lock measures are taken.

All the suppliers registered have to sign our Supplier's Code of Ethics and Conduct that addresses some of those points, as follow:

"All suppliers must provide decent working conditions for their Employees. Working hours, remuneration, benefits and health and safety requirements must comply with the labour legislation of the country in question. In countries where prevailing legislation is inferior to international legislation, the latter's standards must prevail."

Regarding the acquisition process, Vale has standard contractual clauses that addresses human rights aspects to be met by Vale's suppliers, as follows:

#### LIABILITIES AND PENALTIES

The SUPPLIER shall be the sole responsible and liable for its acts or omissions, from those of its employees, contractors and/or agents, regarding this Contract attributable to SUPPLIER, its employees, officers, directors, agents and subcontractors that may result in criminal, civil, tax, labour, social security or environmental claims VALE is expressly excluded from any liability, even secondary, and the SUPPLIER shall bear all loss and damage, costs, indemnities and offsets arising from its liability.

The limitations and exceptions of liability established in this Contract do not exclude or limit liability for:

- (i) Intellectual property infringement
- (ii) Fraud, gross negligence and/or wilful misconduct
- (iii) Breach of any anticorruption provision hereunder
- (iv) Damages to the environment
- (v) Labour, tax and/or social security law violation
- (vi) Breach of confidentiality
- (vii) Noncompliance with health and safety policies
- (viii) Accidents resulting in death or injury and/or
- (ix) Use of child and/or forced labor and/or any other labor condition that attempt against human rights and dignity.

#### TERMINATION

It is hereby agreed that if SUPPLIER ever engages forced labour, child labour or any other labour conditions that attempt against human rights and dignity shall trigger automatic termination of this Contract. In such case, termination is deemed to have been caused by SUPPLIER, not being subject to any prior notice nor to any time for cure, and without prejudice to proper denouncement to the competent authorities nor to any further applicable remedies.

Without prejudice to any other rights and/or remedies, VALE may, at its entire discretion, terminate this Contract and/or any other contract entered into between VALE and/or its subsidiaries and/or affiliate companies, whether directly or indirectly, and the SUPPLIER and/or its parent company, (xxx), whether directly or indirectly, to claim any damages, indemnity and/or compensation due to the termination, for any purpose whatsoever, in case of:

- (i) fraud or wilful misconduct by the SUPPLIER in connection with the fulfilment of its contractual obligations
- (ii) engaging forced labour, child labour or any other labour conditions that attempt against human rights and dignity
- (iii) material breach of health, safety and/or environment applicable legislation, specially VALE's internal rules, as well as applicable environmental licenses and their constraints
- (iv) infringement of intellectual property and/or
- (v) breach of any anticorruption provision hereunder.

Vale has a Program to monitor third party contracts regarding labour aspects aiming to minimize the risks exposure to several aspects such as security, exhaustive working day, labour debts, third party rights payments. This program, called NACT (Núcleo de Análises de Contratos com Terceiros - Third-party Contract Analysis department), was created in 2009, based on preventing of risks regarding outsourcing. One of its objectives is to mitigate potential labour and social security liabilities (Contractors and Subcontractors) due to the Solidary and Subsidiary liability that Vale has with its suppliers. This program has some procedures to check if the supplier has all documents compliance to the labour laws, including the employee's timesheets.

In addition, twice a year, as part of the supplier relationship strategy, their performance are measured through IDF - Supplier Development Index. The IDF is a formal monitoring tool and measures five different criteria (technical quality, environmental impacts, health and safety, respect for employees and continuous improvement) aiming to have transparency and quality upon Vale and suppliers relationship.

**Score 2 - The Company meets both the requirements under Score 1 AND describes how it works with business relationships to improve human rights performance and provides an example.**

Another point related to social aspect, in line with the purpose of fostering growth, Vale tries to invest in the improvement of its supply chain and in professional qualification. An example is the Inove (Innovate) Program, which stimulates the development of suppliers with training opportunities, access to loans, and incentive for the competitiveness of operations. Among the initiatives is the InoveCapital portal, through which approximately US\$244 million in loans and credits were released in 2016. Suppliers can view their invoices and ask participating financial institutions to anticipate the payment of invoices or obtain financing in a web-based environment.

Another highlight of the period was the conclusion of the Vale-Sebrae Productive Chain Program. Throughout the past two years, more than 400 suppliers benefited from the initiative in the states of Espírito Santo, Maranhão, Minas Gerais, Mato Grosso do Sul, and Pará. Various trainings and consultancies were held, related to financial, contract, and personnel management, quality, customer service, health, safety, and the environment.

The program is structured in three branches:

1. Supplier Competitiveness - InoveCapital is a web based tool for loans that links suppliers, banks and Vale. Nowadays almost 800 Brazilian suppliers are using it. Since 2015, more than US\$ 500 million in loans and credits were released.
2. Business Fostering - it is a market screening assessment to identify local suppliers and include them in our vendor list. This activity is developed in partnership with federation of industries and local chambers of commerce.
3. Education - Vale has initiatives to provide training to local suppliers to fill their gaps. The company works with regional and national partners like SEBRAE (The Brazilian Service of Support for Micro and Small Companies). In addition, we also provide workshops to clarify Vale's procedures and norms regarding purchasing process.

**Evidence:**

[http://www.vale.com/\\_layouts/ValePageNotFound.aspx?requestUrl=http://www.vale.com/brasil/EN/suppliers/code\\_conduct/Documents/C%C3%B3digo%20do%20Fornecedor%20-%20Supplier`s%20Code.pdf](http://www.vale.com/_layouts/ValePageNotFound.aspx?requestUrl=http://www.vale.com/brasil/EN/suppliers/code_conduct/Documents/C%C3%B3digo%20do%20Fornecedor%20-%20Supplier`s%20Code.pdf)

### **B.1.8 - Approach to engagement with potentially affected stakeholders**

**Score 1 - The Company describes how it has identified, and engaged with affected and potentially affected stakeholders in the last two years AND it describes the frequency and triggers for engagement on human rights issues (for example by type or by stakeholder group).**

**Score 2 - The Company also provides a summary analysis of the input/views given by the stakeholders on human rights issues and how the Company took those views into account.**

The community relations team has, along with the operational areas, the responsibility to map the stakeholders and define the engagement plan with each of them, according to their specificities. Among the actions to be undertaken are social dialogue plans that provide for periodic visits / meetings with these communities in order to inform them about the progress of new operations or to update the plans for mitigation or compensation of impacts. Governance depends on the best arrangement accepted by the communities and allows language and format to be adequate. For example, in indigenous communities there are groups that prefer meetings every two months with the participation of different peoples, while others prefer meetings / visits in each community, using audio-visual resources, models and conversation.

Whenever possible and appropriate, Vale's professionals are invited from areas such as engineering, management or legal to contribute to these meetings. They are unique opportunities for sharing information and collective learning that enable adjustments in our operations and negotiation to foster positive impacts to communities.

About the issues and stakeholders management, to better organize, manage and address all the stakeholders (including NGOs, indigenous peoples and resettled communities.) concerns there is a tool called SDI - Stakeholder, Demands and Issues, where complaints, demands, issues and stakeholders are registered.

This system enables professional relationships with communities and managers of related topics, including institutional relations and human rights, to manage the registration demands, submitted solutions, the results, monitor action plans by stakeholders, and monitor specific processes such as environmental licensing processes (including studies and full of action) to indigenous peoples and traditional communities.

Based on criticality, urgency or severity of the demand, the system information to prove the critical issues committees where participating directors of operations, projects and corporate areas Vale who are responsible for addressing the demands presented.

Our main potentially affected stakeholders are local communities and workers.

To engage with local communities, each operational site has a team of Community Relations that is responsible to identify potentially affected people, engage with them and manage their concerns and impacts caused by our operations and projects. The interactions occur on a day-to-day basis, being very regular.

We also have specialized local teams who engage with Indigenous Peoples.

These are the main channels used for dialogue:

- Participatory Socioeconomic Assessments
- Participatory Formulation of Social Relationships and Investment Plans
- Alô Ferrovia - available to Vale train passengers and communities
- Contact Us (available through Vale's website)
- Ombudsman (available through Vale's website)
- External publication – Newsletter
- Direct contact with Community Relations Department team (in person and by telephone).

Workers can be affected mainly through impacts on their health and safety. Vale has a robust program to manage these risks, including the engagement of employees and contract workers.

Other possible impacts such as discrimination and harassment are addressed through our ombudsman channel, which guarantees confidentiality.

#### **Evidences:**

**Vale's Sustainability Report** – page 32 and 82

[www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx.aspx](http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx.aspx)

#### **B.2.1 - Identifying: Processes and triggers for identifying human rights risks and impacts**

**Score 1 - The Company describes the process(es) to identify its human rights risks and impacts in specific locations or activities, covering its own operations (i.e. impacts that it may cause or contribute to) as well as through relevant business relationships.**

**Score 2 - The Company also describes the global systems in place to identify its human rights risks and impacts on a regular basis across its activities, in consultation with affected or potentially affected stakeholders and internal or independent external human rights experts. This includes how the systems are triggered by new country operations, new business relationships or changes in the human rights context in particular locations.**



Vale adopts the FEL (Front-End Loading) methodology for project management. The methodology, which accompanies all new projects, from the mineral research phase, considers the feasibility / maturity evaluation of the project in several dimensions, including social, economic and environmental technical aspects.

In this context, each area has its support procedures / manuals that define the aspects that should be evaluated in each phase of the project. The phases are 3: development, execution and operation. These phases are described as FEL 1, FEL 2 and FEL 3.

Each phase considers the assessment of aspects relevant to the stage of development of the new project. Since FEL 1 are considered aspects of human rights such as, which communities should be part of the area of influence of the new project or there is availability of water resources for the enterprise without affecting the access of communities to this resource.

Inserted in this analysis, is the process of environmental licensing that requires the accomplishment of a broad participatory impact study that considers the physical, biotic and socioeconomic means. Based on this study is defined the locational alternative for the enterprise or supported technical decisions that reduce possible impacts, mainly on communities.

The validation of the impact studies foresees new participation of the communities inserted in the areas of influence, through either public hearings or specific consultation processes. The studies are public and the proposal of actions for mitigation and / or compensation of impacts is elaborated and validated with the participation of the communities.

Each phase of the FEL provides a "gate" that evaluates the degree of maturity of the evaluated aspect. If a critical aspect is incomplete or "poorly evaluated", it may prevent the project from proceeding to the next phase of FEL.

All phases provide for some aspect of human rights, whether mobility, availability of access to natural resources, indigenous peoples, security aspects, availability of local labour or the need for involuntary removal. All of these aspects are highly sensitive and impact on communities and business decision making.

Evidence:



Diretoria de Implantação de Projetos de Capital

<b>Implantação de Empreendimentos pela Metodologia <i>Front-End Loading</i></b>	Nº: REG-0200	Pág.: 1 de 9
	Classificação: Uso interno	Rev.: 04 - 03/01/2017
<b>Responsável Técnico:</b> Luiz Carlos de Oliveira (Gerência Avaliação de Performance Projetos de Capital / Diretoria de Implantação de Projetos).	<b>Código de Treinamento:</b> Não aplicável.	
<b>Público-alvo:</b> Equipes de Projetos (Capital e Correntes)	<b>Palavras-chave:</b> Metodologia <i>Front-End Loading</i> , FEL, Gates, Portões, Desenvolvimento, Avaliação de Maturidade, Diagnóstico de Projetos.	

ANEXO A - ENTREGAS PREVISTAS NA METODOLOGIA FEL - VALE				
Observação Importante: - Os produtos apresentados constituem uma referência inicial padrão para todos os projetos, cabendo à sua liderança avaliar a necessidade de customizar a lista de produtos esperados, considerando a natureza, complexidade e contexto específicos do projeto.				
Disciplina / Assunto	Documentos relacionados	FEL 1	FEL 2	FEL 3
<b>Suprimentos</b>				
Plano de Suprimentos (PS)	GU-G-047	Produto ou definição não previsto para esta etapa.	Plano de Suprimentos Preliminar (PSP) do projeto.	Plano de Suprimentos (PS) consolidado do projeto.
Mapa de Acompanhamento de Suprimentos (MAS)	PR-G-228	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	Mapa de Acompanhamento de Suprimentos (MAS) para todos os pacotes de contratação mapeados conforme previsto no Plano de Suprimentos.
<b>Sustentabilidade</b>				
Sistema de Gestão Integrado (Meio Ambiente, Saúde e Segurança)	PTP-000773	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	APR - análise preliminar dos riscos de SSMA, Direitos Humanos e S&S nas Comunidades para as atividades previstas na etapa de Execução.
	PTP-000835	Produto ou definição não previsto para esta etapa.	Levantamento dos requisitos legais de Saúde e Segurança e Meio Ambiente considerando o escopo do projeto	Detalhamento dos requisitos legais de SSMA para o escopo do projeto, incluindo as condicionantes de todas as licenças ambientais obtidas, caso estabelecidas pelo Órgão Licenciador.
	PR-G-454	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	PAE - Plano de atendimento de emergência de SSMA para a etapa de Execução.
	NFN-0020 (Manual do SGI) PR-E-259	Produto ou definição não previsto para esta etapa.	Levantamento preliminar dos recursos necessários de SSMA para execução do projeto garantindo o atendimento ao SGI e as diretrizes SSMA de projeto. (ex.: equipe de SSMA, Capacitação, contratação de serviços, recurso para atendimento de emergência, etc.).	Levantamento detalhado com memória de cálculo dos recursos necessários de SSMA para execução do projeto garantindo o atendimento ao SGI e as diretrizes SSMA de projeto. (ex.: equipe de SSMA, Capacitação, contratação de serviços, recurso para atendimento de emergência, etc.).
Saúde e Segurança	PR-E-280	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	Análise crítica de Saúde e Segurança da engenharia do projeto.
Comunidades - Planejamento da entrada no território	MA-G-040	Estratégia de relacionamento com comunidades.	Produto ou definição congelado em etapas anteriores. Alterações, ajustes ou revisões devem ser tratadas por meio de Gestão de Mudanças.	Produto ou definição congelado em etapas anteriores. Alterações, ajustes ou revisões devem ser tratadas por meio de Gestão de Mudanças.
Comunidades - Conflitos Sociais	MA-G-049	Relação das ameaças de interdição e paralisação do projeto mapeadas e plano de ação estabelecido.	Relação atualizada das ameaças de interdição e paralisação do projeto mapeadas e plano de ação estabelecido.	Relação atualizada das ameaças de interdição e paralisação do projeto mapeadas e plano de ação estabelecido.
Comunidades - Relacionamento e Investimento Social	MA-G-049	Produto ou definição não previsto para esta etapa.	Plano de relacionamento e investimento social com comunidades.	Plano atualizado de relacionamento e investimento social com comunidades.
Comunidades - Demandas, Questões Críticas e Compromissos Prioritários	MA-G-049	Relação das demandas das comunidades e plano de ação estabelecido. Relação das questões críticas e compromissos prioritários mapeados e plano de ação estabelecido.	Relação atualizada das demandas das comunidades e plano de ação estabelecido. Relação atualizada das questões críticas e compromissos prioritários mapeados e plano de ação estabelecido.	Relação atualizada das demandas das comunidades e plano de ação estabelecido. Relação atualizada das questões críticas e compromissos prioritários mapeados e plano de ação estabelecido.
Comunidades - Despendos Sociais	MA-G-049 PRO-022723	Produto ou definição não previsto para esta etapa.	Plano plurianual de ações sociais - PPA.	Plano plurianual de ações sociais - PPA (atualizado).
Comunidades - Povos Indígenas e Comunidades Tradicionais	MA-G-049	Relatório de identificação e análise de povos indígenas e comunidades tradicionais.	Relatório de identificação e análise de povos indígenas e comunidades tradicionais (atualizado). Estudo de componente indígena e comunidades tradicionais (quando aplicável).	Relatório de identificação e análise de povos indígenas e comunidades tradicionais (atualizado). Estudo de componente indígena e comunidades tradicionais (quando aplicável). Programas de gestão de impacto de povos indígenas e comunidades tradicionais (quando aplicável).
Comunidades - Remoção Involuntária	MA-G-049 PRO-015075	Estudo de identificação de vulnerabilidade socioeconômica (quando aplicável).	Plano de gestão do processo de remoção involuntária. Plano de atendimento a remoção involuntária - PAR.	Plano de Desenvolvimento do Reassentamento - PDR (quando aplicável).

Anexo A - Entregas Previstas na Metodologia FEL - Vale

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## **B.2.2 - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)**

**Score 1 - The Company describes its process(es) for assessing its human rights risks and what it considers to be its salient human rights issues. This description includes how relevant factors are taken into account, such as geographical, economic, social and other factors OR publicly discloses the results of the assessments, which may be aggregated across its operations and locations.**

**Score 2 - The Company meets both the requirements under Score 1.**

Vale integrated human rights aspects into its Operation Risk Management Model, which addresses processes and business risks. The processes risk management requirement is also part of Vale's Integrated HSE Management System.

\*Main risks related to health, safety, environment, reputational, financial and human rights (community rights, worker rights and security and human rights).

\*\*Risks related to processes (more detailed) related to health, safety, environment and community rights. Risk Management is one of the 12 requirements of the Integrated HSE Management System.

This is the way Vale intends to identify and address human rights risks among all its operations.

The Operational Risk dashboard is consolidated every three months. This is the cycle expected for operations to update their action plans and monitor its results.

The figure below shows the first page of Vale's Manual for Operational Risk Management, which details the whole process, highlights the importance of the integration of diverse themes, including social and human rights, as well as the governance model.

The following figure shows the process of risk management plan.

The next one shows the monitoring and review of risk management plan process.

We started to include human rights aspects in operations in location with high inherent risk of human rights violations (North of Brazil and Mozambique).

The process to manage risks includes: identification, assessment and integrating and action and monitoring.

Vale's potential human rights impacts are related to the following aspects:

Labour Practices

- Workers Health and Safety

- Freedom of association and collective bargaining
- Non Discrimination / Harassment avoidance

#### Community Relations

- Community Health and Safety
- Resettlement
- Indigenous Peoples
- Livelihoods / Income Generation
- Access to water and sanitation
- Sexual Exploitation of Minors combat

#### Value chain

- Forced Labour Combat
- Child Labour Combat

#### Security and Human Rights

- Private Security
- Public Security

As already mentioned, it is part of Vale's procedures, when registering into its procurement data base new service providers who will act inside Vale's facilities, to verify compliance with labour legal obligations. Irregularities and unwilling to address them will cease the registration process.

Not signing Suppliers Code of Conduct will also cease the registration process of any supplier candidate. As already mentioned, it is part of Vale's procedures, when registering into its procurement data base new service providers who will act inside Vale's facilities, to verify compliance with labour legal obligations. Irregularities and unwilling to address them will cease the registration process.

Not signing Suppliers Code of Conduct will also cease the registration process of any supplier candidate.

Vale has a Global Human Rights Management Panel tool that identifies inherent risks of violating human rights in the places where Vale is present. The Panel includes all Vale operations, projects and offices in the world.

The figure below shows the first page of Vale's Human Rights Due Diligence Questionnaire for Merge and Acquisition.



**Ficha de Avaliação de Direitos Humanos no Setor de Mineração e Metais<sup>1</sup>**  
***(Human Rights Due Diligence Questionnaire)***

O respeito aos direitos humanos deve se dar em todos os projetos e operações da empresa, ao longo do ciclo de vida das suas atividades e em sua cadeia produtiva, nas regiões onde está presente. Para tanto, faz-se necessário o arcabouço normativo associado à análise de risco e o monitoramento permanente dos direitos humanos.

- ▶ Existência de Política, Norma ou Diretrizes de Direitos Humanos para a empresa, empregados diretos e indiretos e fornecedores. Se disponível, anexar.
- ▶ Realização periódica de análise de risco de violação aos Direitos Humanos pela empresa. Explicitar procedimento.

- ▶ Explicitar riscos de violação aos direitos humanos no setor de Mineração e Metais presentes na atividade da sua empresa:

- Saúde e Segurança dos empregados diretos e indiretos
- Condições de Trabalho...
- Carga horária excessiva
- Interferência em Comunidades Tradicionais e Indígenas...
- Aumento demográfico em função de processo migratório
- Trabalho forçado
- Trabalho Infantil
- Liberdade de associação e negociação coletiva...
- Relacionamento com governo – nacional e local...
- Relacionamento com forças armadas...
- Operações em zonas de conflito...
- Utilização do produto como moeda para tráfico/ terrorismo...
- Corrupção
- Outros: \_\_\_\_\_

- ▶ Explicitar riscos de violação aos direitos humanos presentes no país/ região do empreendimento.

- Elite política não representativa
- Liberdade de expressão baixa ou ausente
- Insuficiência dos instrumentos normativos
- Baixa capacidade de implementação dos instrumentos normativos
- Corrupção
- Precariedade de infraestrutura e serviços públicos (saneamento, habitação, saúde, educação, etc.)
- Pobreza e Desigualdade social
- Baixo Capital Social
- Outros: \_\_\_\_\_

<sup>1</sup> Fonte: Política Global de Direitos Humanos da Vale

The figure below shows the first page of Vale's Human Rights Impact Assessment, please find the whole methodology attached:

Quick Guide

For a world with new values.



**Evidence:**

NFN 0001 0001 - Planning, Development and Management Standard - internal document

Human Rights Due Diligence Questionnaire for Merge and Acquisition - internal document

Human Rights Impact Assessment

### **B.2.3 - Integrating and Acting: Integrating assessment findings internally and taking appropriate action**

**Score 1 - The Company describes its global system to take action to prevent, mitigate or remediate its salient human rights issues OR provides an example of the specific conclusions reached and actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations.**

**Score 2 - The Company meets both of the requirements under Score 1.**

**Vale has 3 complementary processes that address risk analysis and impact on human rights.**

- FEL (Front-End Loading) methodology that considers human rights aspects (labour, health and safety, environmental, mobility, etc.) in its requirements and that unfolds in action plans. This process is phased, monitors, and evaluates the feasibility of any new project from mineral research, through the implementation phase to the operational phase. The methodology foresees that a critical requirement, if not met in its action plan, does not allow the project to proceed to the next phase (called Gates)
- The environmental licensing process is part of the FEL process and accompanying all phases of the project, including the phases of operation and its renewal of licenses. Licensing assesses socioeconomic, environmental aspects of the physical and biotic means and identifies all possible impacts on the media described. Based on identified impacts, mitigation or compensation measures are proposed. The licensing process follows the legislation of each locality where Vale operates and considers participatory methodologies both in the preparation of impact studies and in proposing mitigation or compensation actions.
- And finally, the continuous processes of Business and Process Risk Management permanently evaluate Human Rights aspects and are staggered in the company when they present some point of attention or require decision making at higher levels.

An important example of an assessment that identified a significant risk and generated a plan of action and decision making at the highest level of the company was the case of the possible installation of a construction site with housing in an area near Caru - Maranhão, Brazil.

When elaborating the impact study for the expansion works of the Carajás Railroad, the team of anthropologists and environmental experts verified that the planned site /



lodging would be very close to an indigenous land and a village with recent contact indigenous peoples. After a risk analysis with the participation of human rights teams, relations with indigenous peoples, environment and business security, the case was presented to the Executive Board of the company that decided to change the project and remove the beds with accommodation.

The project started to use mobile lodging and the hiring of labour for the expansion of the railway was mainly in the local contracting, not requiring accommodation. Reduced beds made it possible to avoid the need for material storage, which reduced impacts with material displacement.

All the employees and third parties involved in the expansion work of the railroad were trained on the relationship with the indigenous peoples, the necessary care and respect to the limits of the Indigenous Land. This process avoided serious impacts on the natives and made feasible the expansion of the railroad in a respectful and economically viable way.

**Evidence:**



**Diretoria de Implantação de Projetos de Capital**

<b>Implantação de Empreendimentos pela Metodologia <i>Front-End Loading</i></b>	Nº: REG-0200	Pág.: 1 de 9
	Classificação: Uso interno	Rev.: 04 - 03/01/2017
<b>Responsável Técnico:</b> Luiz Carlos de Oliveira (Gerência Avaliação de Performance Projetos de Capital / Diretoria de Implantação de Projetos).	<b>Código de Treinamento:</b> Não aplicável.	
<b>Público-alvo:</b> Equipes de Projetos (Capital e Correntes)	<b>Palavras-chave:</b> Metodologia <i>Front-End Loading</i> , FEL, Gates, Portões, Desenvolvimento, Avaliação de Maturidade, Diagnóstico de Projetos.	

ANEXO A - ENTREGAS PREVISTAS NA METODOLOGIA FEL - VALE				
Observação Importante: - Os produtos apresentados constituem uma referência inicial padrão para todos os projetos, cabendo à sua liderança avaliar a necessidade de customizar a lista de produtos esperados, considerando a natureza, complexidade e contexto específicos do projeto.				
Disciplina / Assunto	Documentos relacionados	FEL 1	FEL 2	FEL 3
<b>Suprimentos</b>				
Plano de Suprimentos (PS)	GU-G-047	Produto ou definição não previsto para esta etapa.	Plano de Suprimentos Preliminar (PSP) do projeto.	Plano de Suprimentos (PS) consolidado do projeto.
Mapa de Acompanhamento de Suprimentos (MAS)	PR-G-228	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	Mapa de Acompanhamento de Suprimentos (MAS) para todos os pacotes de contratação mapeados conforme previsto no Plano de Suprimentos.
<b>Sustentabilidade</b>				
Sistema de Gestão Integrado (Meio Ambiente, Saúde e Segurança)	PTP-000773	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	APR - análise preliminar dos riscos de SSMA, Direitos Humanos e S&S nas Comunidades para as atividades previstas na etapa de Execução.
	PTP-000335	Produto ou definição não previsto para esta etapa.	Levantamento dos requisitos legais de Saúde e Segurança e Meio Ambiente considerando o escopo do projeto	Detalhamento dos requisitos legais de SSMA para o escopo do projeto, incluindo as condicionantes de todas as licenças ambientais obtidas, caso estabelecidas pelo Órgão Licenciador.
	PR-G-454	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	PAE - Plano de atendimento de emergência de SSMA para a etapa de Execução.
	NFN-0009 (Manual do SGI) PR-E-259	Produto ou definição não previsto para esta etapa.	Levantamento preliminar dos recursos necessários de SSMA para execução do projeto garantindo o atendimento ao SGI e as diretrizes SSMA de projeto. (ex.: equipe de SSMA, Capacitação, contratação de serviços, recurso para atendimento de emergência, etc.).	Levantamento detalhado com memória de cálculo dos recursos necessários de SSMA para execução do projeto garantindo o atendimento ao SGI e as diretrizes SSMA de projeto. (ex.: equipe de SSMA, Capacitação, contratação de serviços, recurso para atendimento de emergência, etc.).
Saúde e Segurança	PR-E-280	Produto ou definição não previsto para esta etapa.	Produto ou definição não previsto para esta etapa.	Análise crítica de Saúde e Segurança da engenharia do projeto.
Comunidades - Planejamento da entrada no território	MA-G-049	Estratégia de relacionamento com comunidades.	Produto ou definição congelado em etapas anteriores. Alterações, ajustes ou revisões devem ser tratadas por meio de Gestão de Mudanças.	Produto ou definição congelado em etapas anteriores. Alterações, ajustes ou revisões devem ser tratadas por meio de Gestão de Mudanças.
Comunidades - Conflitos Sociais	MA-G-040	Relação das ameaças de interdição e paralisação do projeto mapeadas e plano de ação estabelecido.	Relação atualizada das ameaças de interdição e paralisação do projeto mapeadas e plano de ação estabelecido.	Relação atualizada das ameaças de interdição e paralisação do projeto mapeadas e plano de ação estabelecido.
Comunidades - Relacionamento e Investimento Social	MA-G-040	Produto ou definição não previsto para esta etapa.	Plano de relacionamento e investimento social com comunidades.	Plano atualizado de relacionamento e investimento social com comunidades.
Comunidades - Demandas, Questões Críticas e Compromissos Prioritários	MA-G-040	Relação das demandas das comunidades e plano de ação estabelecido. Relação das questões críticas e compromissos prioritários mapeados e plano de ação estabelecido.	Relação atualizada das demandas das comunidades e plano de ação estabelecido. Relação atualizada das questões críticas e compromissos prioritários mapeados e plano de ação estabelecido.	Relação atualizada das demandas das comunidades e plano de ação estabelecido. Relação atualizada das questões críticas e compromissos prioritários mapeados e plano de ação estabelecido.
Comunidades - Despejos Sociais	MA-G-040 PRIO-022723	Produto ou definição não previsto para esta etapa.	Plano plurianual de ações sociais - PPA.	Plano plurianual de ações sociais - PPA (atualizado).
Comunidades - Povos Indígenas e Comunidades Tradicionais	MA-G-040	Relatório de identificação e análise de povos indígenas e comunidades tradicionais.	Relatório de identificação e análise de povos indígenas e comunidades tradicionais (atualizado). Estudo de componente indígena e comunidades tradicionais (quando aplicável).	Relatório de identificação e análise de povos indígenas e comunidades tradicionais (atualizado). Estudo de componente indígena e comunidades tradicionais (quando aplicável). Programas de gestão de impacto de povos indígenas e comunidades tradicionais (quando aplicável).
Comunidades - Remoção Involuntária	MA-G-040 PRIO-015075	Estudo de identificação de vulnerabilidade socioeconômica (quando aplicável).	Plano de gestão do processo de remoção involuntária. Plano de atendimento a remoção involuntária - PAR.	Plano de Desenvolvimento do Reassentamento - FDR (quando aplicável).

Anexo A - Entregas Previstas na Metodologia FEL - Vale

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## Vale's Sustainability Policy:

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

## 2016 Sustainability Report:

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx>

### B.2.4 - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts

**Score 1 - The Company describes the system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results OR provides an example of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process.**

**Score 2 - The Company meets both of the requirements under Score 1.**

As described in indicator B.2.3, both FEL (Front-End Loading) phases and the licensing process have impact analysis, action plan, monitoring and evaluation.

Without reaching the expected result in mitigating or compensating for the potential impact, the process does not evolve. That is, in FEL it means that the project is not at the desirable maturity level for the next phase, so it does not release the project to the gate. And in environmental licensing, the impact generates a mitigation or compensation action, which has constant monitoring and reporting to the official licensing communities and agencies. If the planned action (called a conditional) is not fully complied with or does not achieve the desired result, Vale is obligated to report this to the official body and propose corrective or complementary measures to fulfil the obligation assumed.

Vale has several examples where the impact assessment required corrective actions or changes in projects that were monitored and made possible the reduction of significant impacts to the communities. We can cite:

- Changes on logistic project (railroad), which would be used for ore disposal, to avoid direct impact on communities with resettlement, noise and emission etc;
- Changes of the river water catchment project to use a dam for rainwater storage, avoiding a reduction of water capacity for communities, including indigenous people who had a sacred relation with the river;
- Change of the site logistics system to avoid high flow of trucks in an area close to the community;
- Change in the flow schedule of trucks on festive dates for communities, reducing the risk of run over and discomfort with noise;
- Public-private social partnership with public agencies to increase health care and education in response to increased demographic pressure - construction, school equipment, health units, professional training, technical cooperation.

**Vale's Sustainability Report:**

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx.aspx>

**Vale's Sustainability Policy:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

**Vale's Human Rights Policy:**

[http://www.vale.com/PT/suppliers/code\\_conduct/Documents/Human%20Rights%20Policy.pdf](http://www.vale.com/PT/suppliers/code_conduct/Documents/Human%20Rights%20Policy.pdf)

**Vale's website (initiatives):**

<http://www.vale.com/brasil/PT/initiatives/Paginas/default.aspx>

**Vale Foundation:**

<http://www.fundacaovale.org/SitePages/areasAtuacao.aspx>

**B.2.5 - Communicating: Accounting for how human rights impacts are addressed**

**Score 1 - The Company describes how it communicates externally about its human rights impacts and how effective it has been in addressing those impacts (i.e. through the steps described in B.2.1 to B.2.4).**

**Score 2 - The Company also describes how it has responded to specific human rights concerns raised by, or on behalf of, affected stakeholders AND how it ensures that the affected or potentially affected stakeholders and their legitimate representatives are able to access these communications.**


The communication process is broad to cover various stakeholders. Among the forms of communication we can mention:

- Sustainability Report - which describes the human rights management process, including aspects of impact management. It is also possible to verify Vale's position on recurring critical issues that were identified in the grievance mechanisms;
- Several communities, including indigenous communities, participate in forums for dialogue, which are occasions for systematic meetings to follow corrective measures, social investment projects and to receive complaints and demands;
- Specifically for indigenous peoples, Vale has developed customized materials to clarify, in the language of these populations, complex issues such as impact management, rights, engagement actions, monitoring of social projects and monitoring Vale works in the areas of influence of these populations. In addition to printed materials, banners and booklets, animations, videos and mock-ups are available when needed.


Evidence:

## Expansão EFC


Estrada de Ferro Carajás:




Antes:




Depois:




**Etapas da obra:**




Mobilização de trabalhadores




Construção de estruturas avançadas




Supressão vegetal (flocos de clorofila)




Terraplenagem




Drenagem



Construção de pontes e arcos



Instalação de linha férrea


 Para ser estado nos bons valores

## Respeite a cultura Xikrin



- Não tocar nas castanhas depositadas ao longo da estrada;
- Não coletar e nem comercializar castanhas nas áreas internas da mina do Salobo;
- Redobrar a atenção aos limites de velocidade, principalmente no trecho próximo à ponte sobre o rio Itacaiúnas (30 km/h), área de estadia dos indígenas (conhecido como Caldeirão);
- É proibido fazer imagens ou vídeos sem autorização dos indígenas;
- Não depositar ou despejar resíduos ao longo da estrada ou nas áreas internas do site;
- Não dar bens da empresa ou pessoais, mesmo que solicitado pelos indígenas;
- Não comprar artesanato com plumas ou partes de animais (ossos, dentes etc.) pois é proibido por lei;
- Não caçar, pescar, comprar ou comercializar animais silvestres abatidos, mesmo que oferecido pelos indígenas.
- Evitar dar caronas para os indígenas, salvo em casos de doenças ou quando não houver impedimento normativo, atendendo aos preceitos de segurança;
- Não ter qualquer tipo de atitude discriminatória ou preconceituosa com os indígenas (emitir sons, gesticular de maneira inadequada etc.).

A melhoria desta ação é uma medida de compensação exigida pelo licenciamento ambiental, conduzido pelo IBAMA.





Em caso de dúvida ou situação imprevista com os povos indígenas, comunique à Gerência de Relacionamento com Povos Indígenas e Comunidades Tradicionais.

**Nina Fassarella e Joaquim Netto**  
Analistas de Relacionamento com Povos Indígenas  
nina.fassarella@vale.com  
(98) 99187-7688

**José de Sousa**  
Analista de Relacionamento com Comunidades  
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(21) 99002-8944

Para um mundo com novos valores.



## Dicas de conduta para relacionamento com povos indígenas

Expansão Estrada de Ferro Carajás



## Os Xikrin e a coleta de castanhas

Respeitar a cultura indígena faz parte de nossos valores

O respeito às pessoas é um de nossos valores corporativos e devemos exercitá-lo diariamente, dentro e fora da empresa.

Nossa relação com os Xikrin do Cateeté remonta à década de 80, com a implantação do empreendimento Ferro Carajás. De lá para cá, com a validação da Funai, apoiamos o povo indígena em vários projetos em áreas como educação, saúde e vigilância territorial.

**É essencial manter uma relação saudável com todos os nossos vizinhos territoriais e isso envolve, naturalmente, os povos indígenas.**

A coleta da castanha-do-pará é uma atividade muito importante para a organização social do povo Xikrin. No período de janeiro a março, os Xikrin do Cateeté realizam a coleta de castanhas no entorno da estrada de acesso à mina do Salobo. Mais especificamente no trecho que vai da portaria de NT à portaria industrial.



Para manter um convívio harmônico, reforçamos algumas orientações importantes que todos nós, da Vale, precisamos seguir:

- Não tocar nas castanhas depositadas ao longo da estrada;
- Não coletar e nem comercializar castanhas nas áreas internas da mina do Salobo;
- Redobrar a atenção aos limites de velocidade, principalmente no trecho próximo à ponte sobre o rio Itacalinas (30 km/h), área de estadia dos indígenas (conhecido como Caldeirão);
- É proibido fazer imagens ou vídeos sem autorização dos indígenas;
- Não depositar ou despejar resíduos ao longo da estrada ou nas áreas internas do site;
- Não caçar, pescar, comprar ou comercializar animais silvestres abatidos, mesmo que oferecido pelos indígenas.

- Não dar bens da empresa ou pessoais, mesmo que solicitado pelos indígenas;
- Não comprar artesanato com penas ou partes de animais (ossos, dentes etc.) pois é proibido por lei.
- Evitar dar coronas para os indígenas, salvo em casos de doenças ou quando não houver impedimento normativo, atendendo aos preceitos de segurança;
- Não ter qualquer tipo de atitude discriminatória ou preconceituosa com os indígenas (emitir sons, gesticular de maneira inadequada etc.).

Em caso de dúvidas, denúncias ou mais informações tratar com:

- Roberto Costa - Relacionamento com Povos Indígenas e Comunidades Tradicionais: (94) 99176.5339

Sercila Braz - Meio Ambiente (94) 99944.4874

Joaquim Netto - Relacionamento com Comunidades Tradicionais e Povos Indígenas: (91) 99311.6923

A realização desta ação é uma medida de compensação exigida pelo licenciamento federal, conduzido pelo IBAMA



Em caso de dúvida ou situação imprevista, comunique à Gerência de Relacionamento com Povos Indígenas e Comunidades Tradicionais.

Ana Edithe  
 Analista de Relacionamento  
 com Comunidades Tradicionais  
 ana.edithe@vale.com  
 (98) 99188-0544



Para um mundo com novos valores.

## Dicas de conduta para relacionamento em comunidades tradicionais quilombolas

Expansão Estrada de Ferro Carajás



## Dicas de segurança na ferrovia

### Faça sua parte, oriente sua comunidade

Ao se aproximar da ferrovia  
**PARE, OLHE e ESCUTE**  
 Só depois siga em frente



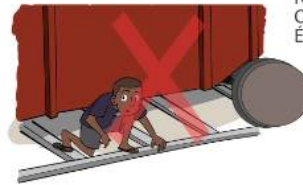
Mantenha distância dos trilhos  
 Não deixe seus filhos brincarem próximo aos vagões



Não pegue carona e nem tente entrar nos vagões, mesmo que o trem esteja parado



De carro, moto ou bicicleta, só atravesse após ter certeza que o caminho está livre



Não passe por debaixo dos vagões! O trem pode começar a andar. É muito perigoso



Evite bebida alcoólica. Alcool e ferrovia não combinam



Em caso de dúvida ou acidentes procure a equipe de segurança da Vale



## **C - Remedies and Grievance Mechanisms (Score - 15)**

### **C.1 - Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers**

**Score 1 - The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all workers to raise complaints or concerns related to the Company. An explicit reference to human rights is not required, but a channel/mechanism that is specifically designed to cover other topics (e.g. a corruption hotline) will need to make clear to stakeholders that it can be used for human rights concerns as well.**

Vale has an Ethics and Conduct Office, responsible for receiving and coordinating the investigation of complaints of Vale's internal and external stakeholder.

A Reporting Channel is available on Vale's website ([www.vale.com](http://www.vale.com)) and accessible to all workers and communities to raise complaints or concerns related to the Company, including human rights concerns.

The company also offers a communication channel, the Contact Us, for suggestions, information and clarification of questions about human rights among other issues.

*"The Ethics and Conduct Office, available for Vale's internal and external stakeholders, is a proactive, transparent, independent and impartial communications tool for reporting violations or suspected violations of any of the points described in our Code of Ethics and Conduct."*

**Score 2 - The Company also discloses data about the practical operation of the channel(s)/mechanism(s), including the number of grievances about human rights issues filed, addressed or resolved AND indicates that the channel(s)/mechanism(s) is available in all appropriate languages.**

All workers (including contractor employees) pass through an on boarding / onboarding process when starting to work for Vale where they are informed about the Human Rights Policy and through a video about the Code of Ethics and Conduct and the ombudsman channels. The channels are available in different languages. Allegations may be made in the official language of the complainant's country.

Ethics and conduct office annually develops a report for all employees and publishes it in Vale's Intranet. The report highlights the main actions carried out in its two areas of

focus: the promotion of Vale's Code of Ethics and Conduct and the operation of the Ethics and Conduct Reporting Channel.

The main indicators to track the reporting channel performance are:

- Total number of allegations received, including Human Rights issues
- Total numbers of actions generated for each confirmed case
- Allegation Rate Brazil and Allegation Rate Abroad
- % Allegations by category
- Evolution of the response time to complainant.

The Ethics and Conduct Office issues a report giving the results of each investigation within the channel's scope directly to the chair of the Board of Directors, recording the evidence obtained for the reported situations, as well as appropriate actions to resolve irregularities.

Vale's channels are open to be used by contractor's employees.

Vale subsidiaries, joint ventures and associates use Vale's ombudsman channels and processes and have their own channel and processes as well. When Vale receives complaints related to them, Vale's Ethics and Conduct Office evaluates whether the company has the adequate independency to conduct the investigation. If so, the complaint is directed to the joint venture/associate if not, the investigation process is conducted by Vale.

**Toll-free: Callers may dial this line toll-free from within the appropriate country.**

	Country	Phone	Language
Central and North America	Canada	866-590-7729	French, English
Central and North America	United States	866-607-1172	English
South America	Argentina	0800-555-9312 0800-666-2451	Spanish (Latin American)
South America	Brazil	0800-821-5000	Portuguese (Brazilian)
Asia and Oceania	Australia	1-800-658-495	English
Asia and Oceania	China	400-882-2054	Mandarin, English
Asia and Oceania	Indonesia	001-803-1-006-8066	Bahasa Indonesian, English
Asia and Oceania	Japan	00531-11-3620 0066-33-801234 0044-22-112627 0034-800-900103 00798-11-004-9317	Japanese, English
Asia and Oceania	Korea	00308-11-0530 00368-11-0123	Korean, English
Asia and Oceania	Singapore	800-110-1926	Malay, English, Mandarin, Tamil
Asia and Oceania	Thailand	001-800-11-002-2524	Thai, English
Europe and Africa	Norway	800-12220	Norwegian, English
Europe and Africa	South Africa	0800-999-616	English

**For countries below, the callers can toll-free to the indicated phone-numbers and then dial: 866-423-4864**


	Country	Phone	Language
South America	Chile	Chile (AT&T Chile) 171 00 311 Chile (AT&T Chile Spanish) 171 00 312 Chile (AT&T Node) 800-225-288 Chile (Easter Island) 800-800-311 Chile (Easter Island Spanish) 800-800-312 Chile (ENTEL) 800-360-311 Chile (ENTEL Spanish) 800-360-312 Chile (Telefonica) 800-300-288	Spanish (Latin American)
South America	Colombia	01-800-911-0010 01-800-911-0011	Spanish (Latin American)
South America	Paraguay	008-11-800	Spanish (Latin American)
South America	Peru	Peru (Americatel) 0-800-70-088 Peru (Telefonica) 0-800-50-288 Peru (Telefonica Spanish) 0-800-50-000	Spanish (Latin American)
Asia and Oceania	India	000-117	Hindi, English
Asia and Oceania	Kazakhstan	8 ^ 800-121-4321	Kazakh, Russian, English
Asia and Oceania	Philippines	Philippines (Bayan) 105-11 Philippines (Digital) 105-11 Philippines (Globe) 105-11 Philippines (Philcom) 105-11 Philippines (PLDT) 1010-5511-00 Philippines (Smart) 105-11	Filipino, English
Asia and Oceania	Taiwan	00-801-10-288-0	Taiwanese, English
Europe and Africa	Angola	808-000-011	Portuguese
Europe and Africa	Switzerland	0-800-990011	French, English

**Other countries, please make a collected call to the number: +55 21 3814 5000**

How can I make an allegation?	<b>Who can make an allegation?</b>	How can I follow up on allegations?	Premises
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Anyone, whether or not connected with Vale, who feels negatively affected by Vale due to a violation of the Code of Ethics or our values, or who has a problem that has not been resolved through the company's everyday channels, may use the Ethics and Conduct Office.

We are counting on the collaboration of Vale employees, contractors and communities, both in the ethical performance of their functions and in the reporting in good faith of suspected cases of violations of our standards of ethics and conduct.





## Contact

Home

### Talk to Us

Our contact page contains answers to some frequently asked questions, but if you don't find what you are looking for, we have a communications channel through which you can submit your inquiries, suggestions, complaints, or praise. See the form at the end of the page.

#### Ombudsman

If you would like to report any possible irregularities or improprieties in our accounts or other audit-related issues, please use our Ombudsman. [Click here.](#)

#### Railroads

For matters related to passengers carriage on our railroads of Vale in Brazil, contact through the number: 0800-275-7000. The call is not charged.

#### Global headquarters

Praia de Botafogo, 186 - Salas 501 a 1901  
Botafogo - Rio de Janeiro/RJ - Brazil  
CEP: 22250-145  
Telefone: +55 21 3485-5000

### Evidence:

**Vale.com website** - <http://www.vale.com/en/aboutvale/ethics-and-conduct-office/make-complaint/Pages/default.aspx>

[www.vale.com/en/aboutvale/ethics-and-conduct-office/make-complaint/Pages/default.aspx](http://www.vale.com/en/aboutvale/ethics-and-conduct-office/make-complaint/Pages/default.aspx)

<https://canalconfidencial.com.br/vale/>

### Annual Report – Vale Intranet

**Vale - 2018 - Ethics and Conduct Office (Ombudsman) (webpage) (Ref: whole page)**

<http://www.vale.com/brasil/EN/aboutvale/ethics-and-conduct-office/Pages/default.aspx>

<https://www.youtube.com/watch?v=t08Wf9l6Zag>

## **C.2 - Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities**

**Score 1 - The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by the Company (or individuals or organisations acting on behalf of them or who are otherwise in a position to be aware of adverse impacts) to raise complaints or concerns, including about human rights issues related to the Company, particularly in high risk locations.**

In our experience, face-to-face mechanisms are the most effective ones, especially when you are operating in remote areas, whose host communities are more vulnerable and lack the ability to read and write, face-to-face communication is the best approach. Each operational site has a team of Community Relations, which is responsible to identify potentially affected people, engage with them and manage their concerns and impacts caused by our operations and projects. The interactions occur on a day-to-day basis, being very regular. We also have specialized local teams who engage with Indigenous Peoples.

To better organize, manage and address their (local communities, including indigenous peoples) concerns there is a tool called SDI - Stakeholder, Demands and Issues, where complaints, demands, issues and stakeholders are registered. It is a management system that integrates seven modules: Stakeholders, Demands, Critical Issues, Visit Planning, Relationship and Social Investment Plan with Priority Communities, Interdictions Events / Railway Shutdowns, and Reports, which aim to support the relationship management processes with communities in the territories.

These are the main channels used for dialogue with communities:

- Participatory Socioeconomic Assessments
- Participatory Formulation of Social Relationships and Investment Plans
- Alô Ferrovia - available to Vale train passengers and communities in Brazil (two railways)
- Contact Us (available through Vale's website)
- Ethics and Conduct Office (available through Vale's website)
- External publication – Newsletter
- Direct contact with Community Relations Department team (in person and by telephone/ WhatsApp).
- Vale also has a normative about the reception and treatment of Human Rights Allegations.

**Score 2 - The Company describes how it ensures the channel(s)/mechanism(s) is accessible to all potentially affected external stakeholders at all operations, including in local languages.**

Vale ensures the accessibility of its grievance mechanism through the variety of channels: direct contact with communities by community relations officers, alo ferrovia (train passengers channels), the contact us channel (Vale's website), ombudsman channel, etc. In countries such Mozambique and New Caledonia, Vale has established a structure composed of community members who act as a bridge between the company and the local population.

The company has structured channels of claims and complaints, in different languages, with professionals that interface with its stakeholders, enabling dialogue and improvement of processes focused on mitigation or remediation of conflicts.

**Evidence:**

- PTP-000893 - Communities Grievance Management Procedure - Internal Use







- PTP-000893 - Communities Grievance Management Procedure - Internal Use

SDI\_v8\_4 - Excel

Welcome, Camila Cantagalli

Instructions

Sincronize OFFLINE

VALE SDI Stakeholders, Demands and Issues Version 8.4

Planos de Relac. com Comunidades - DIRN

Stakeholders	Demands	Issues and Priority Commitments	Communities Relationship Plan	Visits Planning	Interdictions/ Neutralizations	Involuntary Removal	Reports
<ul style="list-style-type: none"> <li>Focal Point</li> <li>Community</li> <li>Institution</li> </ul>	<ul style="list-style-type: none"> <li>All</li> <li>Demands about to</li> <li>Overdue Demands</li> <li>New Record</li> </ul>	<ul style="list-style-type: none"> <li>All</li> <li>New Record</li> </ul>	<ul style="list-style-type: none"> <li>All</li> <li>New Record</li> </ul>	<ul style="list-style-type: none"> <li>All</li> <li>Upcoming</li> <li>Realized</li> <li>Overdue</li> <li>New Record</li> </ul>	<ul style="list-style-type: none"> <li>All</li> <li>New Record</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>	<ul style="list-style-type: none"> <li>Communities Relationship Plan and Issues</li> <li>Stakeholders for Projects</li> <li>Demands Report</li> </ul>

### C.3 - Users are involved in the design and performance of the channel(s)/mechanism(s)

**Score 1 - The Company describes how it engages with potential or actual users on the design, implementation or performance of the channel(s)/mechanism(s) OR it provides an example of doing so.**

Each operational site has Community Relations officers who are responsible to engage with potentially affected people. This interaction includes discussions with host communities concerning the format, use and effectiveness of existent grievance mechanism tools. These meetings occur on a day-to-day basis.

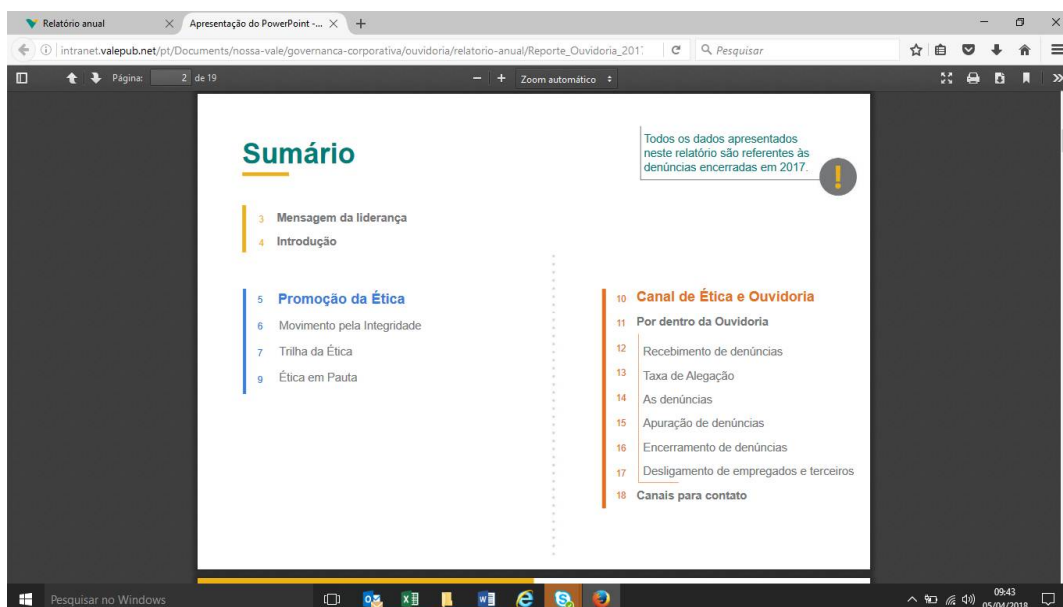
The Ethics and Conduct Office conducts a research among employees annually. Those reports are available in Vale's intranet website. Please see the print screen of the summary below.

**Score 2 - The company describes how it engages with potential or actual users on the performance of the channel(s)/mechanism(s), AND it provides an example of doing so.**

In Vale's operational areas, the accessibility and effectiveness of the Grievance Mechanism tools are discussed with host communities in a daily basis.

The Ethics and Conduct Office conducts a research among employees annually. This research includes the perception of employees about the existent channels. Improvements can be done according to the results. In 2017, the research was applied in Brazil, Canada and Mozambique.

#### Evidence:





#### **C.4 - Procedures related to the mechanism(s)/channel(s) are publicly available and explained**

**Score 1 - The Company describes the procedures for managing the complaints or concerns, including timescales for addressing the complaints or concerns and for informing the complainant.**

For communities: Procedures related to the mechanism is available and explained in Vale Social Performance Guide (PGS-003360):

*5.3.3. Manage Community Demands (Identify and analyse community demands, plan, implement and monitor the Assistance Action Plan) The community demands management process includes the receipt, registration, analysis, treatment, and reply to demands. Effective management of demands will contribute to strategic and operational decision-making based on reliable information, anticipation of risks and trends, proactive role, and to build sustainable relationships with communities.*

*The process should begin with the receipt of demands through institutional communication channels, through personal contacts with Vale employees and contractors, public meetings, among others. The demand should be registered and analysed. In some cases, it is required the involvement of other areas for a supplementary analysis and preparation of an action plan for meeting the demand. It is essential to report the demand conclusion, whether it is granted or denied, to the stakeholders.*

*It is worth noting that, besides the demand management, projects and operations should ensure the establishment of effective ethics and conduct office mechanisms so that is possible to deal with claims, complaints and allegations of communities, as per item 1.3.6.*

##### *1.3.6. Treat complaints, deletions and allegations*

*To be able to deal with complaints and allegations from communities, operations and projects must ensure the establishment of effective allegation mechanisms. Such mechanisms perform two essential functions: (1) allow the early and directly detection of damage and remediation of negative impacts, in order to prevent further damage and escalation of complaints and conflicts, and (2) contribute to the identification of systematic negative impacts on the human rights to analyse trends and patterns of allegations.*

*These mechanisms do not require that the allegation or the complaint is based on an alleged violation of human rights so that it can be proposed, as its specific goal is to identify any legitimate concern of possible affected rights. If these concerns are not*

*identified and treated in time, they can lead to more serious human rights violations and conflicts.*

*Therefore, it is important to establish mechanisms to consider, in general, the following principles:*

- Ensure that stakeholders do not face any obstacle in the use of mechanisms*
- Make mechanisms available from the beginning of the relationship process with stakeholders, ensuring a transparent and predictable process of treatment and response*
- Build trust in the legitimacy of the mechanisms*
- Provide an independent structure based on routine and auditable processes for the mechanisms*
- Ensure confidentiality of complainants, when necessary, always avoiding retaliation of any kind*
- Facilitate access to mechanisms and give publicity to them*
- Record all complaints and generated answers.*

*At the corporate level, the company provides the Ethics and Conduct reporting channel (available on Vale website and intranet). Allegations of human rights violations should be treated as specific PGS. "*

For employees: The procedures are explained at Vale's website, including that the results of each investigation within the channel's scope are directed to the chair of the Board of Directors. The Ethics and Conduct Office reports directly to the Board of Directors.

All workers (including contractor employees) pass through the on boarding process when starting to work for Vale where they are informed about the Code of Ethics and Conduct and about the ombudsman channels, through this video:

<https://www.youtube.com/watch?v=t08Wf9l6Zag>

**Score 2 - The Company describes how complaints or concerns for workers and all external individuals and communities may be escalated to more senior levels or independent parties.**

The results of each investigation led by the Ethics and Conduct Office within the channel's scope are directed to the chair of the Board of Directors. The Ethics and Conduct Office reports directly to the Board of Directors.

Concerning external stakeholders' issues: There are structured processes. The climb to higher hierarchical levels is expected and occurs according to the degree of complexity/severity / values involved. More information can be founded in A.2.2.

#### **C.5 - Commitment to non-retaliation over complaints or concerns made**

**Score 1 - The Company indicates that it prohibits retaliation against workers and other stakeholders (including those that represent them) for raising human rights related complaints or concerns AND describes the measures in place to prevent retaliation (for example, through guaranteeing anonymity when complaints or concerns are raised).**

The Company does not tolerate threats, intimidation or physical attacks against no one representing the human rights cause such as human rights defenders and journalists. Besides that, Vale responds to any allegations through public positioning and, if necessary, legal action. Vale has no intimidating practices, and only seeks the Judiciary to protect its rights against threats and recurrent invasions of its properties and the Railroads.

It is established at Vale's Suppliers Code of Conduct that there will be no retaliation against employees or suppliers that make allegations in good faith.

Here is some information published in Vale's Ethics and Conduct office website.

*"These complaints will be subject to procedures that aim to protect the rights of the complainant and the accused, always respecting local legislation.*

*Under no circumstances, will reporting any potential violations or possible malfeasance serve as a basis for retaliation or intimidation of any employee.*

*Whether or not complainants identify themselves, their anonymity is always guaranteed.*

*In all cases, confidentiality, independence, impartiality and immunity are guaranteed in the treatment, investigation and filing of information received. The rights of complainants and the people cited are also guaranteed, and any kind of retaliation against those who use the Ethics and Conduct Office in good faith is forbidden, regardless of the results of investigations. This tool should be used in a conscientious manner to maintain the credibility of the process."*

**Score 2 - The Company indicates that it has never brought a retaliatory suit against persons who have brought or tried to bring a case against it involving credible allegation of adverse human rights impacts or against the lawyers representing them (retaliatory civil litigation, including for defamation, filing criminal complaints, or any similar actions against claimants or their lawyers), or fired any workers who have brought or tried to bring a case against it involving an allegation of human rights abuse, or engaged in violent acts or threats or treats against livelihoods, careers or reputation against claimants or their lawyers.**

Vale does not take action in retaliation against third parties who have filed any complaints or cases of human rights violations against them.

However, the company seeks compensation for losses from people who invade Vale's railway lines, depreciate the company's assets, etc. Vale informs the police of the occurrence of these crimes. The company understands that the practice of informing the police about the realization of crimes (railroad trespass, depredation, etc.) is not retaliation.

**Evidence:**

**Vale's Code of Ethics and Conduct**

[www.vale.com/en/aboutvale/ethics-and-conduct-office/code-of-ethics/Pages/default.aspx?](http://www.vale.com/en/aboutvale/ethics-and-conduct-office/code-of-ethics/Pages/default.aspx?)

[www.vale.com/en/aboutvale/ethics-and-conduct-office/make-complaint/Pages/default.aspx](http://www.vale.com/en/aboutvale/ethics-and-conduct-office/make-complaint/Pages/default.aspx)

**C.6 - Company involvement with State-based judicial and non-judicial grievance mechanisms**

**Score 1 - The Company publicly commits to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations of adverse human rights impacts AND indicates that it does not, and that it has not in any past case, require(d) affected individuals or communities participating in grievance/mediation process permanently to waive their legal rights to bring a claim through a judicial process as a condition of participating in the grievance/mediation process.**

Vale doesn't have an institutionalized process of cooperation with state-based non-judicial grievance mechanisms. However, the company participated already in many negotiations with indigenous peoples in cooperation with the Brazilian Indigenous Administrative Body, with or without the participation of the Public Federal Ministry.

**Score 2 - The Company also sets out the process by which it will co-operate with state-based non-judicial grievance mechanism complaints brought against it AND provides an example of issues resolved (if applicable).**

Vale does not seek to prevent individuals or groups from having access to the judiciary for participating in extrajudicial discussions.

### **C.7 - Remediating adverse impacts and incorporating lessons learned**

**Score 1 - For adverse human rights impacts which it has caused or to which it has contributed, the Company describes the approach it took to provide or enable a timely remedy for victims (or if none, then it describes the approach it would take).**

We had two salient HR issues in Brazil in 2015 and 2016: The Mina do Pico issue and the Samarco accident.

#### **Mina do Pico, Brazil**

In February of 2015, the Ministry of Labour and Employment (MTE) supervised the Pico Mine (MG), specifically the Ouro Verde company, that provides to Vale transportation services for finished products.

Because of alleged irregular outsourcing, as well as the submission of workers to the condition analogous to slavery, the ministry filed infringement proceedings against Vale. These tax assessments were all challenged by Vale. The classification of these irregularities as *labour analogous to slavery* is not appropriate, since all of Ouro Verde's employees were properly registered, with working papers signed and wages paid, operating air-conditioned trucks to protect them from the dust and heat, and transporting them to their homes every day in safe and adequate transportation.

Vale repudiates any and all forms of disrespect for human rights and has been doing everything in its power to remedy the situation and ensure that it does not recur in its projects and operations.

At the time of the inspection, the contractor was formally and immediately notified by Vale to provide improvements at the construction site and to remedy the irregularities. The work activity was paralyzed and resumed three days later. In July, Vale entered into an agreement with the Federal Labour Prosecutor's Office, reinforcing its commitment to the compliance with standards applicable to the working environment of its employees and collaborators. Ouro Verde entered into the same agreement.

In 2016 Vale contracted an external company to provide a detailed diagnosis in all of Vale's units in Minas Gerais, verifying the physical conditions of installations and issues related to the availability of basic hygiene and drinking water, as well as the legal aspects of Sanitary Conditions and Comfort in the Workplace, regulated by the Labour Ministry. The result of this diagnosis was registered in the Federal Labour Prosecutor's Office, and can be broadly and freely consulted by stakeholders.

The actions established in the agreement with the Labour Ministry have been fulfilled, both by Vale and Ouro Verde. Internal groups were later structured to identify and carry out continuous improvements in facilities and workplaces. The results and improvements have been monitored in the meetings of area leaders. The contract between Vale and Ouro Verde was cancelled and, until the end, inspections conducted by Vale were intensified.

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### **Samarco Mineração, Fundão Dam, Brazil**

The Samarco accident was a terrible, dramatic and unprecedented event in 73 years of Vale's existence, operation and the operation of controlled and affiliated companies. Vale and BHP Billiton own 50% each of Samarco shares. Vale does not have control over Samarco, nor direct influence in its operations. However, as it does with all other invested companies, Vale has always emphasized to Samarco the importance of implementing policies and standards in line with its own and has supported Samarco in its efforts to address the damages caused by the accident. Moreover, from the first day of the accident, Vale and its employees have been committed with the emergency response and, right after, with the human rights remediation and environmental recovery, supporting Samarco and Renova Foundation in all areas needed and guaranteeing the funding and implementation of the 41 programs that were established on the agreement with the federal and state governments, together with BHP Billiton.

#### Samarco's Accident:

On the 5th of November 2015, Fundão dam failed and part of the tailings reached Santarém Dam, which was used to storing water, provoking a partial erosion on the right shoulder of the dam. The material reached Gualaxo do Norte river nearby, travelled along its bed, then flowed into the Doce river, reaching the sea in Espírito Santo State on November 22nd, 2015.

The main impacts were:

- 18 fatalities and 1 missed person, presumed dead
- Around 2,200 hectares impacted along 650 kilometres of the river
- Temporary suspension of water supply in 16 locations
- Impact on public and private infrastructure, including 3 communities to be relocated
- Approximately 300 rural producers affected. Some of them also had their production capacity impacted
- Around 7,500 fishermen impacted due to a ban of fishing activities

The shareholders of Samarco, BHP Billiton and Vale, provided immediate support to Samarco to implement emergency rescue and relief actions for victims and, subsequently, social remediation and environmental recovery programs. The three companies immediately launched a series of social, environmental and economic remediation and mitigation actions.

An agreement with federal and state authorities was established facilitating the coordination and better efficiency of the remediation measures.

The main aspects it encompasses:

- Reparation of the environment and of the communities affected
- Environmental compensation where reparation is not possible, such as:
  - Project for basic sanitation for the regions affected
  - Reconstruction of Bento Rodrigues and Paracatu de Baixo
  - Creation of the Renova Foundation to manage the socioenvironmental and socio economic programs
  - Implementation deadline of 15 years, renewable until all the programs have been implemented
  - Establishment of advisory committees with the participation of technical specialists, regulators and representatives of the communities

- R\$ 4.4 bi in the first three years (2016-2018) to guarantee the progress of the reparation and compensation actions, while the projects are being detailed
- R\$ 0.8-1.6 bi per year from 2019 to 2021, the value will be defined based on approved projects
- R\$ 240 million per year over 15 years (since the signature of the agreement) for the execution of the compensation projects
- Additional payment of 500 million to fund sanitation initiatives from 2016 to 2018
- In case that Samarco has no resources, Vale and BHP will fund the amounts due

**Score 2 - For adverse human rights impacts which it has caused or to which it has contributed, the Company also describes changes to systems and procedures to prevent similar adverse impacts in the future (or if none, then it describes the approach it would take) AND the Company provides an evaluation of the effectiveness of the grievance channel(s)/mechanism(s).**

After the accident, a Dam Department was created to assess and improve the dam management processes at Vale, generating action plans and targets. All Vale dams received both internal and external auditing and some action plans have been implemented to increase our level of operational efficiency and security. All Vale dams surpass the security level of any national or international legislation. The company also reviewed its emergency plans, including community engagement and community mobilization in case of an accident. In the 2016 strategic planning cycle, Vale proposed a new guideline to maximize iron ore production with natural moisture, reducing tailings generation, optimizing material disposal, separating the slurry from thick tailings and using pits to dispose of the slurry. This new plan estimates a 600 million metric-ton reduction of generated iron ore tailings by 2030, which means a 32% reduction compared to previous production plans. In 2016, the iron ore production was 60% moist beneficiation and 40% with natural moisture. The beneficiation process is expected to be reversed in the coming years, and may reach 70% beneficiation with natural moisture.

The Samarco accident was a terrible event, nevertheless, it has increased our understanding of risks and impacts. New technology is being developed and implemented in various areas. As an example, Vale is implementing a pilot project on an industrial scale with the objective of studying and developing new tailings disposal technologies, aimed at seeking disposal alternatives beyond dams or drainage piles. Vale has boosted its Risk Management. Nowadays Vale has an integrated Risk approach for all types of risk, encompassing business and processes risk.



**Evidence:**

- **Samarco's Report** - 1 Year since the Accident - with the emergency actions and start of the 41 programs defined in the agreement. [http://samarco.com/wp-content/uploads/2017/01/Book-Samarco\\_Ingles\\_v1.pdf](http://samarco.com/wp-content/uploads/2017/01/Book-Samarco_Ingles_v1.pdf)

- **Renova Foundation Report** - for the better understanding of the governance of the remediation and recovery process and a thorough account on all that has been done so far and all that it will still to be completed in the mid-term and the next 10 to 20 years.

<http://www.fundacaorenova.org/en/activity-report/about-the-report/>

**D - Performance: Company Human Rights Practices (Extractives only) (Score - 20)****D.3.1 - Living wage (in own extractive operations, which includes JVs)**

**Score 1 - The Company indicates its target timeframe for paying all workers a living wage AND the Company describes how it determines a living wage for the regions where it operates, which includes involvement of relevant trade unions.**

**Score 2 - As well as describing how it determines a living wage for the regions where it operates, the Company indicates that it has achieved paying the living wage AND that it regularly reviews its definition of the living wage including with relevant trade unions.**

Vale respects the legislation of the countries where it operates and the ILO's Fundamental Conventions in all its operations:

No. 29. (Forced Labour, 1930);

No. 87 (Freedom of Association and Protection of the Right to Organize, 1948);

No. 98 (Right to Organize and Collective Bargaining, 1949);

No 100 (Equal Remuneration, 1951);

No 105 (Abolition of Forced Labour, 1957):

No 111 (Discrimination, Employment and Occupation, 1958):

No. 138 (Minimum Age, 1973);

The collective agreements are formalised according to local processes and have a variable duration, for example: in Brazil it is annual and in Canada it lasts 3 to 5 years. In each agreement the mechanism of readjustment, including the duration of the agreement is defined. These agreements are public, and the minimum wage, practiced by Vale, is higher than the living wage defined by law. In addition to the salary, all employees in Brazil receive a "Vale Food Card", which corresponds to about 80% of the Brazilian living wage, thus an increase of up to 50% in the living wage practiced at Vale. This amount is for food purchases and is additional to the other card for meals during working hours (only for administrative areas that a not with refectory. The value is based on the market prices and the adjustments are based on inflation.

Another important remuneration aspect is the Profit Sharing Program, which in 2017 represented an average increase of more than 6 salaries for all employees.

The collective agreements are public, negotiated with direct participation of the trade unions and workers and respect the local specificities of the countries where Vale operates.

# RECORDE DE PLR DE 7 SALÁRIOS NÃO PODE SER JOGADO FORA

**A** Participação nos Lucros e Resultados (PLR) dos trabalhadores da Vale finalmente acompanhou os recordes obtidos pela empresa na produção e nos resultados financeiros. A média da empresa ficou em 6,5 salários, mas os resultados foram maiores para grande número de trabalhadores, que alcançou o limite de 7 salários de PLR.

Já havíamos anunciado para os trabalhadores que alcançaríamos a maior PLR já obtida pela categoria. No decorrer dos três primeiros semestres de 2017 já tínhamos esta evidência (veja tabela a seguir), apesar de que o resultado do quarto trimestre tenha ficado abaixo do terceiro, não suficiente para prejudicar os números espetaculares nos primeiros nove meses.

A Vale ficou repetindo o refrão de que a PLR teria baído o recorde em 2017, sem que os resultados operacionais e financeiros acompanhassem números significativos como nos anos anteriores.

A despeito disto, o pagamento da PLR foi valorizado pela política de aferição definida nas negociações do conjunto de sindicatos, computando números significativos na redução de custos da empresa e maior geração de caixa, resultado de um sacrifício ainda maior dos



comunidades.

Os trabalhadores, que tiveram uma tragédia com a PLR zerada de 2015, devem comemorar com todo mérito este recorde em nosso direito.

Precisamos, no entanto, alertar a todos que a PLR recebida é resultado de sacrifício de todos no trabalho e o prêmio deve ser valorizado de forma a não entregar de 'mão beijada' os recursos em exageros e fúria consumista. É necessário que todos saibam das repercussões assustadoras que vêm

acontecendo com a empresa pós-PLR, com uma grande queda no valor das ações da Vale e no preço do minério de ferro. Estes fatores negativos foram ainda potencializados pela política adotada por Trump, presidente norte-americano, de taxar importações siderúrgicas em 25%, medida protecionista do país lanque em severo prejuízo aos mercados exportadores para os EUA.

O alerta serve para colocarmos as "barbas de milho" para o que vem pela frente e não jogarmos fora nossa conquista com um consumismo desenfreado. Afirmamos: vamos lutar para manter regras de aferição justa dos resultados da empresa para premiar os trabalhadores, mas ser preventivo garante um futuro mais confortável nas nossas mãos.

Resultados do 1º, 2º, 3º e 4º trimestres de 2017

	1T/2017	2T/2017	3T/2017	4T/2017	Total
<b>FCO</b>	USD 3.081 R\$866	USD 3.290 R\$925	USD 3.462 R\$965	USD 3.076 R\$856	USD 12.909 R\$3612
<b>AP</b>	USD 553 R\$153	USD 611 R\$168	USD 467 R\$130	USD 562 R\$156	USD 2.193 R\$607
<b>FCO ajustado*</b>	USD 3.152 R\$881	USD 3.754 R\$1043	USD 2.889 R\$800	USD 4.028 R\$1112	USD 14.223 R\$3936
<b>IC</b>	- USD 178 R\$49	- USD 362 R\$100	- USD 625 R\$173	- USD 702 R\$195	- USD 2.467 R\$687
<b>FCO ajustado - IC</b>	USD 2.974 R\$832	USD 3.392 R\$943	USD 2.264 R\$627	USD 3.326 R\$917	USD 11.764 R\$3256

trabalhadores para atingir metas em condições de trabalho com o cinto mais apertado.

## REPERCUSSÕES DA PLR

Claro que uma PLR com uma média de 6,5 salários impacta muito positivamente os municípios onde a empresa opera, com o comércio "nadando de braçada" no aumento de compras, gerando mais emprego e fazendo circular mais riqueza nas

**Fique atento aos seus direitos!**  
**A luta só avança de forma coletiva e com nossa união!**  
**SINDICALIZE-SE!**

**Evidence:**

**Vale's Sustainability Report:**

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx.aspx>

(pages 90, 91 and 100)

**ACT\_PLR 2018**

**ACT\_2017**

**Panfleto Saúde e Segurança**

**Campanha Carajás**

**Capacitação em Relações Trabalhistas**

**D.3.2 - Transparency and accountability (in own extractive operations, which includes JVs)**

**Score 1 - The Company is a member of Extractive Industry Transparency Initiative (EITI) OR the Company publicly reports by country the taxes and revenue payments to some countries beyond legal requirements for disclosure.**

**Score 2 - If the Company operates in a non-EITI member country, it also describes the steps taken to be active participants in the process to promote transparency around revenue and tax payments and licensing/contracting/agreements or to becoming a member of EITI OR the Company provides an example of public disclosure of contracts/ agreements or licenses that provide the terms attached to the exploitation of oil, gas or minerals, in countries for which there are no such disclosure requirements.**

**Alternatively, if the Company does not operate in an EITI member country and publicly reports, by country, taxes and revenue payments to ALL countries where it operates, then Score 2 will be met.**

Vale supports EITI independently since 2014 and is committed to transparency globally. We are part of the EITI Coordinating Committee in Mozambique, Peru and Indonesia. Before 2014, we supported EITI through our ICMM membership.

**Evidence:**

**Vale's website:**

[www.vale.com/brasil/en/investors/company/corporate-governance/transparency/pages/default.aspx](http://www.vale.com/brasil/en/investors/company/corporate-governance/transparency/pages/default.aspx)

**D.3.3 - Freedom of association and collective bargaining (in own extractive operations, which includes JVs)**

**Score 1 - The Company commits to not interfering with the right of workers to form or join trade unions and to bargain collectively and puts in place measures to prohibit any form of intimidation or retaliation against workers seeking to exercise these rights OR discloses the percentage of its workforce whose terms and conditions of work are covered by collective bargaining agreements.**

**Score 2 - The Company meets both of the requirements under Score 1.**

Vale respects the legislation of the countries where it operates and the ILO's Fundamental Conventions in all its operations, including Freedom of Association and Protection of the Right to Trade Union and Right to Organize and Collective Bargaining. The representation of employees by trade unions has been over 90% annually, considering the countries where union membership is voluntary. In Brazil, 100% of the employees are represented by unions.

Although there are different union practices between the countries where Vale operates, Vale's labour relations standards with the unions are the same in all locations: respect for the process, freedom of negotiation, access for trade unions to use Vale's facilities for meetings and unionization campaigns.

There is no record of retaliation against unions and Vale provides its facilities for union actions, such as unionization campaigns.

There is no global collective agreement, negotiations are local and respect the specificities and laws of each country. The ombudsman channel is unique and global and all employees sign the Code of Ethics and Conduct that guides direct and access to complaint mechanisms.

Vale provides training in Labour Relations and all employees are communicated about collective bargaining processes and follow step by step the definition of criteria.



# O FERRUGINHO

Órgão Oficial de Comunicação do Sindicato METABASE CARAJÁS  
Parauapebas-PA, 23 de Março de 2018 - Edição 1172

**Grupo RENOVACÃO** Rua 5, nº 196 – CIDADE NOVA – Tel. 3346- 0232 – Site www.metabasecarajas.com.br



## DIREITOS DO ACORDO REGIONAL SÃO ESTENDIDOS ATÉ 31 DE MAIO

**D**epois de aprovada a Pauta de Reivindicações pelos trabalhadores há quase dois meses, o METABASE CARAJÁS oficializou à Vale a preocupação com a demora das negociações do Acordo Coletivo de Trabalho Especifico, que abrange nossos direitos estabelecidos regionalmente de forma complementar ao Acordo Geral. Nos preocupamos com a vigência do acordo, que tem sua data-base em 1º de abril e não poderíamos correr riscos em direitos estabelecidos, como a hora in itinere, transporte gratuito, jornadas de trabalho, passagens de férias, auxílio educação, assistência à saúde, vale refeição e várias outras conquistas em acordos ao longo dos anos.

Entre estas questões destacamos, por exemplo, o direito dos trabalhadores ao pagamento de horas in itinere, conquista da categoria em negociações entre a empresa, o Sindicato e o Ministério Público do Trabalho, em decisão histórica no Tribunal Regional do Trabalho do Estado do Pará.

Este direito foi duramente atacado pela reforma trabalhista golpista do Governo Temer, mas adiantamos à empresa que não admitimos qualquer prejuízo sobre os trabalhadores, que são sacrificados em longa viagem de suas moradias até os locais ermos onde estão os postos de trabalho nas minas. O sacrifício do descanso dos trabalhadores no tempo gasto dentro do transporte, encurtando seu tempo com suas famílias para se deslocarem até o trabalho não pode ser prejudicado por um entendimento de golpista que fica em ar condicionado, definindo sobre a vida de todos sem qualquer sensibilidade e respeito à condições sociais mínimas e de relações do trabalho.

**VALE ESTENDE A DATA-BASE EM DOIS MESES**

A Vale encaminhou ofício ao Sindicato, estendendo a garantia de todos os direitos do Acordo Regional até o dia 31 de maio, período em que as reivindicações de categoria estarão sendo discutidas em mesa de negociações, além da garantia de todas as conquistas.

Aguardamos com ansiedade que a Vale marque urgentemente o início das reuniões de negociações, para que possamos discutir todos os pontos da pauta aprovada pelos trabalhadores.

O Sindicato informará o passo a passo das negociações por registros eletrônicos, ao final de cada reunião.

VALE

Parauapebas, Pará, 20 de Março de 2018.

Ass:

ASSOCIADO DOS TRABALHADORES NA INDUSTRIA DE EXTRAÇÃO DE FERRO E METAIS BÁSICOS DO SURO E NOROESTE PARANÁ E DE MINAS NAO METALURGIA DE MATAS, PARAUAPÉBAS, GUAROPOLIS E BLOMENS DO BRASIL S.A. – METABASE CARAJÁS

Av. Dr. Raimundo Nonato Alves de Amorim  
Cidade Presidente da METABASE CARAJÁS

Prezado Senhor,

Faz o bem entender das negociações realizadas no Acordo Coletivo de Trabalho Especifico do Contrato 27000219, conforme a legislação em 1º de abril de 2018 e que os benefícios do Acordo Coletivo de Trabalho Especifico, até aqui, sempre temporariamente garantido até o dia 31/03/2018 e sendo prorrogado até 31/05/2018 e sendo assim, não sendo por disputa, em nome, desde a aprovação e homologação do Acordo Coletivo em 01 de julho de 2016/18, em virtude do trabalho.

Com os melhores cumprimentos,

*[Assinatura]*  
Diretor de Recursos Humanos  
Metabase Carajás S/A

*[Assinatura]*  
20/03/2018



02 DE ABRIL DE 2018

# STIEAPA



App Sindicato Stieapa

SINDICATO NAS INDÚSTRIAS EXTRATIVAS AP/PA  
BAIXEM NOSSO APLICATIVO E FIQUEM INFORMADOS

## ENCONTRO DE SAÚDE E SEGURANÇA



No último dia 27 de março, estivemos no Encontro de Saúde e Segurança em Ourilândia. Era um anseio do Sindicato que esses encontros acontecessem em nossa base. Tivemos a participação de toda equipe de Saúde e Segurança da Vale Onça Puma (OP), além da Diretoria do sindicato, coordenador de RT's do Pará e o próprio RT da unidade OP.

Foram apresentados a formação e distribuição da equipe de SS MA, os números de incidentes de 2017 e do primeiro trimestre de 2018.

Várias práticas e ações tem sido implementadas como: na escuta; compromisso zero acidente; monitoramento e restrição de celular em áreas operacionais; prevenção de fadiga; inspeção gerencial de campo; inspeção de ergonomia e outras ações.

O Sindicato diz que é preciso otimizar, dando resposta rápida aos registros de situação de riscos dando prioridade aos que tenham grande potencial de causar um acidente. Por isso acreditamos que todos os esforços para garantir o respeito e a segurança do trabalhador, além do meio ambiente, devem ser tratados com responsabilidade e participação de todos.

É por isso que o Sindicato informa que lançará em seu aplicativo dois canais de registro, um Ambiental e outro do Trabalho.

### ACORDO ESPECIFICO

Há dias a diretoria do Sindicato vem cobrando da Vale o início da negociação do Acordo Específico, mas sem resposta alguma. Não entendemos qual é o motivo dessa enrolação. Será que mas uma vez a Vale tenta causar uma pressão aos trabalhadores adiando a negociação para dessa forma fechar um acordo de qualquer jeito? Percebemos que as verdadeira intenções é se valer da Reforma Trabalhista e sair cortando benefícios conquistados com muito sacrifício. Temos informações que em outras unidades a Vale já fechou acordos específicos com cortes e descontinuidades de benefícios, se valendo da famigerada Reforma Trabalhista. O Sindicato estará alerta a qualquer ato que venha prejudicar a categoria e pedimos aos trabalhadores que se mantenham vigilantes. Para isso é muito importante que os companheiros baixem o nosso aplicativo, pois as ferramentas eletrônicas se tornaram mais eficazes e ágeis na comunicação instantânea com a categoria.

No dia 29 de março a Vale encaminhou uma nova carta garantindo o atual acordo por mais 30 dias. Ai nos perguntamos: que estratégia é essa? O que a Vale pretende cortar se valendo da Reforma? Achamos tudo isso muito suspeito, um desrespeito com a categoria e com o Sindicato, para não dizer uma verdadeira "palhaçada". Queremos iniciar nosso acordo o mas rápido possível.

### D.3.4 - Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)

**Score 1 - The Company discloses quantitative information on health and safety for its employees and workers related to injury rates or lost days (or near miss frequency rate) and fatalities.**

In the scope of Vale SHE Integrated Management System, there are requirements associated to the HS performance including lagging and leading indicators. In the range of lagging indicators disclosures associated to fatality rate, total recordable



injury frequency rate, lost time injury frequency rate are periodically and systematically reported through a dashboard overarching employees and contractors.

In parallel the CSR reports, annually disclose the data on those HS indicators providing the due comments on the outcomes of the investigation process and how the lessons learned have been shared in the company.

In terms of leading indicators, Vale is been working applying adherence of the Integrated Management System assessed annually through internal audits and percentage of non-conformities overdue.

**Score 2 - The Company also provides an explanation of the figures provided or describes the resulting corrective actions or action plans OR sets targets related to rates of injury, lost days and fatalities AND, if the Company had already set targets related to the reporting period, it either has met the targets or provides an explanation of why these were not met.**

In 2017, four fatalities have occurred during on site activities and one associated with security work. All of them have been submitted to an investigation process with a participation of the HS corporate area resulting in corrective and preventive actions that were properly shared across all the operations. Concerning the fatalities, the results of the investigation process shall be presented on the Board of Directors, and are due applied in the leadership bonus scheme as a penalty.

The 2017 CSR report details the results obtained in the last three years, considering TRIFR and LTIFR reviewing critically their figures. In recent years, Vale is being working using leading indicators aiming leadership bonus and they involve "EMS Integrated Management System adherence" and "Fatal Protocols implementation".

**Evidence:**

**2016 Sustainability Report:**

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx>

### **D.3.5 - Indigenous peoples rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)**

**Score 1 - Where operations or proposed operations may impact on indigenous peoples, the Company describes its process to identify and recognise affected or potentially affected indigenous peoples AND it describes how it engages directly with indigenous community(ies) in carrying out the assessment.**

**Score 2 - The Company also indicates it is committed to free prior and informed consent (FPIC) AND provides the most recent example where it has obtained free prior and informed consent (FPIC) or where it decided not to pursue the land or resources impacting on indigenous peoples.**

**Note: CHRB will accept the ICMM statement on indigenous peoples as a commitment to FPIC for ICMM members (but still requires the example to award a score 2).**

Vale has formal commitments regarding indigenous rights. The main ones are:

- ICMM statement on indigenous peoples
- Vale's Sustainability Policy that specifically cites commitments related to indigenous peoples.
- Internal Procedures that include:
  - Respect for Indigenous Rights and Traditional Communities internationally established , especially self- determination and self-declaration;
  - Trust and Mutual Respect of the Rights and Interests;
  - Environmental Responsibility;
  - Sociocultural diversity;
  - Respect for land demarcation;
  - Permanent dialogue;
  - Capacity Building ;
  - Sustainability;

#### Operational guidelines

- To contribute to the consolidation of indigenous rights;
- Acknowledging the socio-cultural specificities;
- Keep qualified staff (all with indigenous relations experience) and training process;
- Consider the people and communities in all analyses and strategic decisions of the company;

- Conduct impact assessments and implementation of mitigation measures;
- Obtain and maintain the free, prior and informed consultation of indigenous peoples before the start of each phase of the project;
- Establish agreements and long-term partnerships , building of ethno-development programs;
- Leverage generation of employment and income, when culturally appropriate (Canada);
- Establish or support grievance and demands mechanisms ;
- Monitor and disclose the company's performance in the subject;
- Participate in the debate of indigenous trends with government institutions and representative indigenous organizations;

As mentioned earlier, there are mechanisms that support risk / impact analysis on indigenous peoples:

- FEL (Front-End Loading) that considers this aspect from the mineral research phase through to the implementation stage of a new project and its operation. In FEL it is necessary that the new project / operation indicate the location of indigenous territories, as well as the distance in relation to the project / operation. It is also requested that the dialogue plan be executed and the studies related to the licensing process have been carried out and the possible impacts on indigenous peoples identified. With the analysis of the obtained data the project is defined, including its location, logistic projects, sources of natural resources, etc.

- environmental licensing process - which has its own regulations in the case of indigenous peoples and traditional communities and determines:

- Conduct an impact study that addresses anthropological, socioeconomic and environmental aspects (physical and biotic means). And that this study be done with independent technical team, approved by the indigenous people and using participatory methodology
- Proposition of mitigating or compensatory measures based on the impact matrix constructed through the impact study. And that the measures be built and validated with the natives
- Monitoring and evaluation of proposed measures and corrections if necessary.

Based on the impact studies, the plan for dialogue with communities and constant relationship, which is carried out through a specialized team dedicated to the relationship with indigenous peoples and traditional communities, it is possible to manage demands, complaints, projects / operations, present improvements to indigenous peoples, exchange information, support advocacy actions and institutional strengthening of indigenous associations etc

**Evidence:**

**Vale's Sustainability Policy:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

**Vale's Human Rights Policy:**

[http://www.vale.com/PT/suppliers/code\\_conduct/Documents/Human%20Rights%20Policy.pdf](http://www.vale.com/PT/suppliers/code_conduct/Documents/Human%20Rights%20Policy.pdf)

**Vale's website – ICMM Position Statement Indigenous Peoples:**

[http://www.vale.com/EN/aboutvale/institutional-partnerships/Documents/2013\\_icmm-ps\\_indigenous-peoples-global.pdf](http://www.vale.com/EN/aboutvale/institutional-partnerships/Documents/2013_icmm-ps_indigenous-peoples-global.pdf)

**D.3.6 - Land rights (in own extractive operations, which includes JVs)**

**Score 1 - For any new or on-going land resettlements, the Company describes how it identifies legitimate tenure rights holders, including through engagement with the affected or potentially affected communities in the process, with particular attention to vulnerable tenure rights holders.**

**If the Company has not engaged in any land transactions in the past two years, it describes its approach to identifying legitimate tenure rights holders generally.**

According to internal procedures - NFN 0015 and the document checklist for acquiring the property, Vale performs the verification of the real owner / possessor of the property through the Topographical Register and the Documentation Dossier of the properties. The Topographic Register is always accompanied by the owner and includes the survey of all the property with indication of constructions and limits with the owners signature, neighbours, contracted company for doing the analyses and VALE, identifying if there is overlap of area with neighbours, squatters, buildings, among others. In the case of squatters, verification of the legitimacy of the possession is carried out, evaluating all the documentation proving the possession, being the fair title (contract, deed, inheritance), paid accounts, declaration of neighbours, etc. This documentation, together with the Topographic Registry with the signature of the neighbours, will be the documents that will prove the possession or not in the property and will be the documents used by VALE to conduct the process of acquisition or resettlement.

**Score 2 - For any new or on-going land resettlements, the Company also describes how it plans to or provides financial compensation or other compensation alternatives, including its valuation methods and how legitimate tenure rights holders were involved in the determining the valuation OR, if a state has been involved in the transaction, the Company follows IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement and describes the steps it has taken to meet the standards with respect to legitimate tenure rights holders.**

**If the Company has not engaged in any land transactions in the past two years, it describes its approach in relation to all 3 elements above.**

Vale has been managing involuntary physical and economic displacements in accordance with the best international practices and follows IFC Performance Standard 5 on Land Acquisition and Involuntary.

The involuntary resettlement process at Vale establishes guidelines and technical guidance to the implementation of process for the acquisition of rights to land use, applicable to people, families, communities and/or social groups in social-economic vulnerability. It considers owners, leaseholders, tenants, roomers, assigned and extractive workers socially and economically linked to the area of interest of the company and host communities. At the end of involuntary resettlement, Vale seeks to ensure to the affected people equivalent or better quality of life conditions and/or the productive and economic performance than those observed before the start of the process.

In Vale's Sustainability Standard (NFN-0009), there is a chapter about Social Performance, that contains guidelines related to the topic "Land acquisition/involuntary resettlement". In addition, Vale has specific document on the procedure - Involuntary Resettlement Management. This document presents technical guidelines related to the management of involuntary, applicable in the following situations: i. vacancy of areas of interest for the company to implement or expand projects; ii. avoid risks and impacts arising from the construction or operational activities on communities; iii. for land regularization and areas under the control of the company where there are consolidated irregular settlements.

According to Vale's Sustainability Standards guidelines, the company must search project's locational or engineering alternatives to prevent the involuntary resettlement of vulnerable; identify people and vulnerable families from the earliest stages of project planning, aiming at incorporating the involuntary resettlement process on the strategy of access to land and environmental licensing.

The Social Performance Manual for Engineering Projects establish rules for the treatment of adverse impacts that may be caused by the new or operations projects,

including the identification of potential land conflicts in the preliminary stages of engineering development.

When it is not an involuntary resettlement process, Vale follows the Real Estate Rights Acquisition guidelines set forth in NFN-0015 – Procurement Standard, which establish guidelines for the preparation of documentary dossier of real estate and negotiation processes, as described in the question above (Score 1 Requirement).

\*Excerpts from the cited documents:

Sustainability Standard (NFN-0009) - General guidelines for Involuntary Resettlement Management:

- Search project's locational or engineering alternatives to prevent the involuntary resettlement of vulnerable.
- Apply the Involuntary Resettlement process when Vale annuls the right to use and / or access to land by third parties - legal, recognizable, customary and / or traditional right;
- Consider Involuntary Resettlement process, in the land acquisition process, when involving people, families communities and / or social groups in a situation of socioeconomic vulnerability, socially and economically linked to the area of interest of the enterprise;
- Monitor socioeconomic indicators and / or economic productive performance and adopt measures necessary to ensure that the Involuntary Resettlement process offers the affected persons conditions of quality of life and / or productive and economic performance equivalent or better than those verified before the beginning the process;
- Meet local legal requirements for Involuntary Resettlement and, always in comparison with international standards, in case of divergence, apply the most restrictive standard.

Social Performance Guide (PGS-003360) - General guidelines for Involuntary Resettlement Management:

In order to effectively manage the involuntary resettlement process to Vale's practices and values, as well as to the international guidelines, all areas of the company should apply the following guidelines:

- Dimension involuntary resettlement and implications for projects and operations;

- Ensure financial resources and schedule to ensure the full implementation of the process;
- Promote ongoing dialogue and ensure the participation of affected people throughout the process, ensuring proper handling of complaints and claims;
- Collectively build and validate the service plan with the affected people, which must then be approved with internal leaders and relevant government agencies;
- Acquire, with participation of affected people, the host area that offers equivalent or better conditions of production and economic performance;
- Monitor the quality of life and productive and economic performance after the change and, where necessary, take measures to ensure compliance with the objectives of the process.

The involuntary resettlement management process takes place in the sub-process below:

#### 4.3.1. Dimension involuntary resettlement

During the survey of the areas of interest for installation or expansion of the project, as well as land regularization and/or to mitigate risks and impacts of operational structures, people in social-economic vulnerability must be identified, a schedule should be dimensioned, and preliminary costs of the involuntary resettlement should be estimated, as well as its implications to the project and company's initiatives should be assessed.

#### 4.3.2. Plan the management of the involuntary resettlement process

If the process execution is required, activities, terms, roles and responsibilities should be defined between the internal areas of Vale, services should be hired, the necessary teams should be prepared, engagement strategies of stakeholders should be proposed and instrumental research and database should be structured.

#### 4.3.3. Perform Integrated Diagnosis

The preparation of the diagnosis should must the qualified participation of those affected in the identification and evaluation of the various aspects of quality of life and economic production. From the integrated analysis of the social-economic, social-organizational, social-cultural, productive and economic performance, land situation and real estate market assessment aspects, service groups should be defined.

#### 4.3.4. Prepare and approve the Involuntary Resettlement Service Plan - PAR

The integrated diagnosis should be the basis for participatory construction with the number of people affected of the Involuntary Resettlement Service Plan – PAR, a



document containing the exchange parameters of the right to land use and the relevant social compensation to each group of service, which must be validated by relevant internal leaders and government agencies.

#### 4.3.5. Formalize agreement terms for involuntary resettlement

After approval of PAR, individual visits should be made to those affected to clarify questions regarding the exchange parameters of the right of land use and relevant social compensation to each group of service, as well as on the refund possibilities of productive and economic performance in the host area. After completing the agreement terms for involuntary resettlement, the applicable legal instruments should be formalized.

#### 4.3.6. Prepare and implement the change

After formalizing the agreement terms for involuntary removal, the project must pay the relevant social compensation to each group of service. Resettlement Development Plan should be prepared considering collective or individual host area to be acquired by Vale and regularize land situation, as well as the change of movable and/or economic production should be planned and implemented, vacating and protecting the properties acquired in the area of interest to the project.

#### 4.3.7. Offer technical support and post-change monitoring

Upon completing the changing, the project should monitor the adaptation of people affected in the new place of residence and/or economic production and take measures to ensure compliance with the objectives of the involuntary removal process. For each group of service, social technical and/or technical productive support should be offered for the period necessary to restore or improve the quality of living conditions and/or the productive and economic performance.

#### **Evidence:**

Internal Procedures: PGS-003360 / NFN-0009

## Vale Social Performance Guide

PGS-003360, Rev.: 00-12/16/2016

Issuing Department: Environment Executive Management

Responsible Technician: Name: Juliana Vilhena, Registry Number: 01513509, Name: Flávia Soares, Registry Number: 01628321

Target Audience: Employees and managers of Vale Group with interface with the Social Performance topic

Training Need: ( ) YES (x) NO

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## Norma de Sustentabilidade



NFN-0009

Rev.: 04-15/02/2017

DFS 0018/2017

USO INTERNO

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### **D.3.7 - Security (in own extractive operations, which includes JVs)**

**Score 1 - The company describes how it implements its security approach (including implementing its commitment to the Voluntary Principles on Security and Human Rights or the International Code of Conduct for Private Security Providers) and provides an example of how it ensures respect for human rights (including the human rights of people in local communities) in the course of maintaining the security of company-managed operations, including when working with contracted private or public security providers, if applicable.**

**AND the Company describes how it ensures its business partners, including joint ventures, implement an equivalent approach to security management that ensures respect for human rights.**

The company guides and trains its security professionals (its own and third parties) to carry out their activities in accordance with human rights principles, rejecting abuses of power, discrimination, interference with citizens' privacy, or inhuman and degrading treatment. In addition, there is a determination to prioritize the search for peaceful solutions that guarantee the physical integrity of people, preservation of property and information, and maintenance of the production process.

Despite of Vale becoming a member of the Voluntary Principles Initiative ("VP Initiative"), in November 2016, our security activities have been aligned to these principles since 2007, reinforcing our main value "life matters most". Corporate Security has run an internal multidisciplinary working group with representatives from the areas of Human Rights, External Relations and Corporate Integrity. Our endorsement of the VP is set forth in our Annual Sustainability Report, which was released in April 2017, prepared according to Global Reporting Initiative (GRI) directives, which aims to keep society informed of actions related to the environment and the communities in which Vale operates. Our Global Human Rights Policy also expresses our commitment to the VP. That policy establishes guidelines and principles for our actions regarding the respect for human rights in projects and operations, throughout our activities and in our value chain, in the regions where Vale is present. In February 2018, we submitted our first annual report and presented a panel at the annual global meeting of the Voluntary Principles Initiative.

The management of internal corporate security practices is guided by the Security Master Plan, structured to introduce, in the long term, new operational and intelligence practices, as well as emerging technologies. The Master Plan also aims to determine all activities performed and controlled by the security structure, increasing the reliability of critical processes.

Another internal rule for guiding operational safety practices is the Protocol of Engagement Rules for Security Agents in Land Invasion Occurrences and Railway and Access Interdiction. This document guides the individual and collective conduct of Corporate Security teams, both for own employees and third parties, in situations of defence of Vale's operational assets in events of trespass and interdiction. The objective is the maintenance and/or recovery of the company's land, operations, railways and accesses, whenever possible in a negotiated manner and without use of force, prioritizing human life, according to the company's Values.

There are also systemic requirements, which are structured procedures to guide and standardize security activities. Some of the topics covered in the document are corporate security planning, risk and change management and analysis, training of professionals, operational control and compliance in corporate security processes.

Contract managers are required to ensure that suppliers comply with Vale's policies (such as Vale's Human Rights Policy, Sustainable Development Policy, Supplier Code of Conduct) and the legislation of the places where they operate, including verification of adequate workload, remuneration and other legal labour obligations in addition to complying with the Universal Declaration of Human Rights.

**Score 2 - The Company provides evidence that its security and human rights assessments include inputs from the local community, including about their security concerns AND provides an example of working with community members to improve security or prevent or address tensions related to its operations.**

Vale encourages employees, third parties, members of communities, suppliers and any other stakeholder to report incidents related to security and human rights directly to Vale's Corporate Security Control Centre through a hotline available 24-hours per day via phone, internet or e-mail.

Incidents are recorded at the "Enterprise Event Management" (EeM) system and assessed, treated (preventive and corrective actions) and reported at corporate level and to the local and/or federal authorities, if applicable.

Vale also provides other channels to receive demands and allegations:

- **Make an Allegation:** <http://www.vale.com/EN/aboutvale/ethics-and-conduct-office/makecomplaint/Pages/default.aspx>

- **Alô Ferrovia (railway hotline) – available to Vale train passengers and neighboring communities in Brazil and Mozambique**

- Contact Us - <http://www.vale.com/en/pages/contact.aspx>
- Direct contact with Community Relations Department team (in person and by telephone).
- Ethics and Conduct Office Channel - <http://www.vale.com/en/aboutvale/ethics-and-conductoffice/Pages/default.aspx>

**Evidence:**

**Voluntary Principles on Security and Human Rights:**

<http://www.voluntaryprinciples.org/for-companies/>

Vale's annual report for the Voluntary Principles on Security and Human Rights – no public

Protocol of Engagement Rules for Security Agents in Land Invasion Occurrences and Railway and Access Interdiction (only in Portuguese and internal process);

**Vale's Human Rights Policy:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/human%20rights%20policy.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/human%20rights%20policy.pdf)

**Vale's Sustainability Policy:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

**Supplier's Code of Ethics and Conduct:**

[http://www.vale.com/brasil/pt/aboutvale/ethics-and-conduct-office/code-of-ethics/documents/code-of-ethics\\_conduct\\_vale.pdf](http://www.vale.com/brasil/pt/aboutvale/ethics-and-conduct-office/code-of-ethics/documents/code-of-ethics_conduct_vale.pdf)

**Vale's Sustainability Report:**

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx>

**D.3.8 - Water and sanitation (in own extractive operations, which includes JVs)**

**Score 1 - The Company describes how it implements preventive and corrective action plans for identified specific risks to the right to water and sanitation in its own operations.**

**Score 2 - The Company has also set specific targets on water stewardship that take into consideration water use by local communities and other users in the vicinity of its**

**operations AND reports on its progress in meeting targets, including an analysis of trends in progress made.**

The management and management of Water Resources in Vale starts in the projects of Capital and Currents according to document REG-0200 Implementation of Enterprises by the Methodology Front-End Loading. This methodology considers 3 phases that a future operation must fulfil to continue its implementation, being FEL 1, FEL 2 and FEL 3. In each phase it is necessary to reach a level of understanding / knowledge of water resources considering the area of influence and inclusiveness of the future operation, namely:

- FEL 1: Preliminary characterization and understanding of water availability for the project area from secondary data (hydrological, hydrogeological studies, qualitative and quantitative monitoring network analysis, seasonal distribution of precipitation, maximum, medium and minimum drainage, groundwater flow and possible water supply alternatives if they exist). Preliminary assessment of water use considering possible conflicts and interferences with pre-existing users.
- FEL 2: Proposal for a network of qualitative and quantitative monitoring from the confirmation in the field implemented. Water balance of surface and groundwater considering the assessment of the water availability impacts imposed by the mine dewatering (consider the input of the hydrological and hydrogeological models). Selection of water supply alternatives. Water balance of the process, including flow diagram of the water circuit and effluents. Conceptual design of water supply sources.
- FEL 3: Review of the qualitative and quantitative monitoring network from the results of the implanted network. Simulation of the models using data from the implanted monitoring network. Consolidated water balance and confirmation of the availabilities of surface and groundwater, including flowchart of the water circuit and effluents (considering updating the inputs of hydrological and hydrogeological models and other interferences). Basic design of water supply sources. Impact control systems caused by mine depletion and water level lowering for the development of the pit.

In the implementation and operation, the guidelines that must be followed are contained in document PGS-003287 Management of Water Resources and Effluents. This document applies to Vale in a global scope, according to NFN-0001: Planning, Development and Management Standard and has the following chapters:

- Water Resources and Effluent Management Program
- Qualification of Laboratories
- Corporate Reports

- Performance and Goal Indicators
- No Conformities, Preventive and Corrective Actions
- Responsibilities.

In addition, two cases of Vales success regarding the availability of water to communities are described below:

Case 1: In Canada, the provision of potable water by mining companies to adjacent communities is common. Vale adopts this practice at its nickel plant in Sudbury, Ontario. There is the capture of water in the Vermillion River that is directed to a treatment plant to obtain the standard of potability and later distributed to the community, serving about 10,000 people. It should be noted that the Canadian government regulates this treatment and distribution system. This includes routine monitoring of quality parameters, training and qualification of operators, and implementation of best practices. As a result, this system meets all federal and provincial legal obligations for the treatment and distribution of drinking water to local communities.

Case 2: In mining, there is the mining process to remove the ore, and often during this activity, there are groundwater. The process of withdrawal of water to advance operations is called Controlled Exploitation of the Aquifers and, part of this resource, when not used for uses in the processes, are made available to the environment or even to water utilities, which supply cities neighbouring our operations. In 2017 alone, the volume of water provided by Vale was around 41 million cubic meters (m<sup>3</sup>).

In a case of Minas Gerais, with the mines of Capão Xavier and Mar Azul, the resource is made available to water distributors. From there, water from the groundwater is made available to the State Sanitation Company (Copasa), which, since 2008, delivery to the population. In the last year, the volume reached 4 million cubic meters.

## Evidences:

### Gestão de Recursos Hídricos e Efluentes



#### PGS-003287, Rev.: 04 21/03/2018

Diretoria Emitente: Gerência Executiva de Meio Ambiente  
Responsável Técnico: Nome: Abraão Júnior; Matrícula: 01103341; Nome: David Soares, Matrícula: 01119636;  
Nome: Halisson Borges, Matrícula: 01366468; Nome: João Vieira Dias, Matrícula: 01498052; Nome: Paulo Bueno,  
Matrícula: 01147272  
Público Alvo: Empregados e gestores do Grupo Vale responsáveis pelo tema Recursos Hídricos e Efluentes.  
Necessidade de Treinamento:  SIM  NÃO

#### Resultados Esperados:

Estabelecer as diretrizes e orientações para à gestão dos recursos hídricos e efluentes nas unidades operacionais e projetos.



<b>Implantação de Empreendimentos pela Metodologia <i>Front-End Loading</i></b>	Nº: REG-0200	Pág.: 1 de 9
	Classificação: Uso interno	Rev.: 04 - 03/01/2017
Responsável Técnico: Luiz Carlos de Oliveira (Gerência Avaliação de Performance Projetos de Capital / Diretoria de Implantação de Projetos).	Código de Treinamento: Não aplicável.	
Público-alvo: Equipes de Projetos (Capital e Correntes)	Palavras-chave: Metodologia <i>Front-End Loading</i> , FEL, Gates, Portões, Desenvolvimento, Avaliação de Maturidade, Diagnóstico de Projetos.	

**Vale's Sustainability Report:**

<http://www.vale.com/hotsite/EN/Pages/relatorio-de-sustentabilidade.aspx.aspx>

**Vale's Sustainability Policy:**

[http://www.vale.com/pt/suppliers/code\\_conduct/documents/pol-0019-g%20-%20sustainability%20policy\\_rev%2000\\_e.pdf](http://www.vale.com/pt/suppliers/code_conduct/documents/pol-0019-g%20-%20sustainability%20policy_rev%2000_e.pdf)

**E - Serious Allegations (Score - 20)**

**E.1 - The Company has responded publicly to the allegation: ALEGACAO 1**

**Score 1 - The Company has responded publicly to the allegation.**

**Note:** This may be a response the Company has made public through a statement in a publicly accessible document on its website, in the press, through BHRRC, or through the CHRB Disclosure Platform.

**Score 2 - The Company has responded publicly and in detail to each aspect of the allegation.**

**Note:** In case of on-going judicial process or if disclosing full details could have adverse impact on affected people, such details are not required to be disclosed publicly and will not affect obtaining a Score 2.

The Company has responded to the allegations through press releases, reports, joint statements and in the press.

**Evidence:**

**Vale's website**

[www.vale.com](http://www.vale.com)

**Business & Human Rights Resource Centre**

<https://www.business-humanrights.org/>

**E.2 - The Company has appropriate policies in place: ALEGACAO 1**

**Score 1 - The Company has a publicly available statement of policy committing it to respecting the general human rights principle in question relevant to the impacts covered by the allegation AND the commitment is applicable to business relationships which may have contributed to or been linked to the alleged impact.**

Vale has a global human rights policy, a sustainability policy, as well as a health and safety policy which also applies to business relationships. Vale also has a sustainability norm and a social performance guide (for internal use) and many different internal specific procedures, such as the Involuntary Resettlement management process.

Please find below the Involuntary Resettlement management chapter of Vale's Social Performance Guide.

*4. Manage Involuntary Resettlement*

*4.1. Introduction*

*The involuntary resettlement process aims to promote the management of physical and/or economic displacement of people in socioeconomic vulnerability, applicable when Vale cancels the right to use and/or access to land by third parties - legal, recognizable, customary and/or traditional. You should consider owners, leaseholders, tenants, roomers, assigned and extractive workers socially and economically linked to the area of interest of the company and host communities. At the end of involuntary resettlement, Vale should ensure to the affected people equivalent or better quality of life conditions and/or the productive and economic performance than those observed before the start of the process.*

*Involuntary resettlement, if not treated properly, can strengthen positions against the company, compromising the operation and/or installation of new projects by pressure from society and social movements. The involuntary resettlement process must comply with local legal requirements, when compared with international standards. In case of divergence between the local and international standards, the most restrictive standard that guarantees benefits to communities should be applied.*

#### *4.2. General guidelines*

*So that the involuntary resettlement process is properly managed to Vale's practices and values, as well as to the international guidelines, all areas of the company should apply the following guidelines:*

*Dimension involuntary resettlement and implications for projects and operations*

*Ensure financial resources and schedule to ensure the full implementation of the process*

*Promote ongoing dialogue and ensure the participation of affected people throughout the process, ensuring proper handling of complaints and claims*

*Collectively build and validate the service plan with the affected people, which must then be approved with internal leaders and relevant government agencies*

*Acquire, with participation of affected people, the host area that offers equivalent or better conditions of production and economic performance*

*Monitor the quality of life and productive and economic performance after the change and, where necessary, take measures to ensure compliance with the objectives of the process.*

#### *4.3. Process breakdown*

*The involuntary resettlement management process takes place in the sub processes below:*

##### *4.3.1. Dimension involuntary resettlement*

*During the survey of the areas of interest for installation or expansion of the project, as well as land regularization and/or to mitigate risks and impacts of operational structures, people in social-economic vulnerability must be identified, a schedule should be dimensioned, and preliminary costs*

**Score 2 - The Company also has a policy that refers to the specific type of human rights issue in question.**

**Note: The policy can be part of a broader human rights policy as long as it provides details on the specific human rights issue in question.**

The company has a social performance guide that encompasses the involuntary resettlement management process as well as a specific procedure for involuntary resettlement that explains the step by step of the activity.

**Evidence :**

**Vale's Human Rights Policy:**

[www.vale.com/EN/aboutvale/sustainability/Documents/human-rights-policy.pdf](http://www.vale.com/EN/aboutvale/sustainability/Documents/human-rights-policy.pdf)

**Vale's Sustainability Report:**

[http://www.vale.com/hotsite/Style%20Library/RelatorioSustentabilidade/Docs/Vale\\_Global\\_Sustainability\\_Policy.pdf](http://www.vale.com/hotsite/Style%20Library/RelatorioSustentabilidade/Docs/Vale_Global_Sustainability_Policy.pdf)

**Vale's Code of Conduct:**

[http://www.vale.com/EN/suppliers/code\\_conduct/Documents/Health%20and%20Safety%20Policy.pdf](http://www.vale.com/EN/suppliers/code_conduct/Documents/Health%20and%20Safety%20Policy.pdf)

**Vale Social Performance Guide:**

PTP 000870 Involuntary Resettlement Management Procedure

### **E.3 - The Company has taken appropriate action: ALEGACAO 1**

**Score 1 - The company engages in a dialogue with the stakeholders reportedly affected in the allegation(s) (or if the Company is alleged to be directly linked, it encourages its business relationship to do so) AND the Company takes appropriate action depending on its "level of involvement" (whether causing, contributing or directly linked - see key concepts below) to address the identified impacts, including through providing remedy(ies) to the affected people or demonstrates an improvement in related management systems to prevent such impacts in the future.**

**If the company denies the allegation(s), it still engages in a dialogue with the stakeholders reportedly affected in the allegation(s) (or if the Company is alleged to be directly linked, it encourages its business relationship to do so) AND it provides**

**evidence of having reviewed its management systems to prevent such impacts from occurring in the future.**

Vale, jointly with BHP Billiton, maintains Fundação Renova, created with the purpose of leading the creation, management and performance of programs to repair and compensate areas and communities affected by the collapse of Fundão Dam, in Mariana, Minas Gerais, in November 5, 2015.

In one year of activities, in August 2017, the Foundation presents tangible results in relation to the commitments undertaken under the Settlement and Consent Decree (TTAC) signed by Samarco and its shareholders (Vale and BHP Billiton Brasil), and the Federal Government, the government of the states of Minas Gerais and Espírito Santo, and other Brazilian governmental authorities.

Among the accomplishments of the first year of activities, we highlight the approximate US\$ 878 million already destined to the recovery process, US\$ 188 million paid as damages, 101 streams recovered, more than 500 headwaters fenced, 2,300 thousand sacred items rescued and conserved, 47 thousand hectares under forest restoration process, more than 23 thousand registrations of people affected, and approximately 700 infrastructure works completed, among other relevant numbers.

The Foundation's work happens by means of programs fully funded by its funding entities. Vale, as subsidiary funding entity, appoints two members for the Trustee Council and their respective alternates.

In 2017, Vale invested US\$ 200 million in Fundação Renova's activities. In 2018, based on the approved budget, the company will invest US\$ 308 million, which will represent an increase of 53% in relation to the previous year.

Vale's investment in Fundação Renova

2016 US\$ 75 million\*

2017 US\$ 200 million

2018 US\$ 308 million\*\*

\*From August, when the Foundation began its activities, until December.

\*\* Forecast. Vale has already invested BRL 879 million in Fundação Renova for the reparation of and compensation for the impacts caused by the collapse of the Fundão Dam, in Rio Doce.

Fundação Renova's activities comply with principles of transparency, and responsible and effective performance of the programs, which include public participation and constant surveillance by the Government.

Remediation and compensation are the two main fronts of the programs carried out by Fundação Renova. The entity ended 2017 with all 42 programs set forth in the TTAC in motion. The initiatives are organized in three themed axles: People and Communities, Land and Water, and Reconstruction and Infrastructure. Each one groups the main focus of the process for recovering from the impacts caused by the collapse of the dam.

Fundação Renova's projects and initiatives were developed in accordance with a study to assess the social, environmental and economic impacts. The purpose is to ensure that the actions and measures defined by the programs have scientific grounds, whenever applicable, and that they are proportional and effective.

**Score 2 - The Company also provides evidence that it provides remedy(ies) that are satisfactory to the victims AND provides evidence of having improved its management systems to prevent such impacts from occurring in future AND engages in dialogue.**

**If the company denies the allegation(s), it provides evidence of having reviewed its management systems to prevent such impacts from occurring in the future and has implemented any recommended improvements, or describes how it ensures the implementation of the relevant management systems.**

All programs will continue over the next two years. Six of them are considered to be priorities, and will receive 66% of Fundação Renova's total budget expected for 2018, which means an investment of US\$ 454 million.

The creation of Fundação Renova is a result of the Settlement and Consent Decree (TTAC) signed by Samarco and its shareholders, Vale and BHP Billiton Brasil Ltda., with the plaintiffs of the public civil action, in the amount of USD 5.8 billion, represented by the Federal Government, the states of Espírito Santo and Minas Gerais, and other Brazilian governmental authorities. The funds will be destined to the implementation of programs to repair and compensate areas and communities affected by the collapse of the Fundão Dam, operated by Samarco, in the city of Mariana, Minas Gerais, in November 5, 2015. The accident caused 18 deaths, in addition to a person that is still missing, and several unsheltered families.

After the accident, a Dam Department was created to assess and improve the dam management processes at Vale, generating action plans and targets. All Vale dams received both internal and external auditing and some action plans have been implemented to increase our level of operational efficiency and security. All Vale dams surpass the security level of any national or international legislation. The company also reviewed its emergency plans, including community engagement and community mobilization in case of an accident. In the 2016 strategic planning cycle, Vale proposed a new guideline to maximize iron ore production with natural moisture, reducing tailings

generation, optimizing material disposal, separating the slurry from thick tailings and using pits to dispose of the slurry. This new plan estimates a 600 million metric-ton reduction of generated iron ore tailings by 2030, which means a 32% reduction compared to previous production plans. In 2016, the iron ore production was 60% moist beneficiation and 40% with natural moisture. The beneficiation process is expected to be reversed in the coming years, and may reach 70% beneficiation with natural moisture.

The Samarco accident was a terrible event, nevertheless, it has increased our understanding of risks and impacts. New technology is being developed and implemented in various areas. As an example, Vale is implementing a pilot project on an industrial scale with the objective of studying and developing new tailings disposal technologies, aimed at seeking disposal alternatives beyond dams or drainage piles. Vale has boosted its Risk Management. Nowadays Vale has an integrated Risk approach for all types of risk, encompassing business and processes risk.