

VALE'S RESPONSE TO THE REPORT "COLLUSION IN DESTRUCTION III: HOW GLOBAL CORPORATIONS CONTRIBUTE TO VIOLATIONS OF THE RIGHTS OF INDIGENOUS PEOPLES IN THE BRAZILIAN AMAZON REGION"

Vale was aware, through the media, of the Report "Collusion in Destruction III" and acknowledges the importance of entities in defending and promoting the rights of Indigenous Peoples, however, we consider it important to present some information and data on Vale's relationship with Indigenous Peoples that, unfortunately, were not considered in the report, as shown below.

Firstly, we inform that Vale, when dealing with Indigenous Peoples and Traditional Communities, follows the guidelines of its Global Human Rights Policy, which is in line with the main international references related to the subject, such as the ICMM's Position Statement on Indigenous Peoples and Mining, ILO (International Labor Organization) Convention No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples, as well as the laws provided for in the countries where Vale operates.

Respect for Indigenous Peoples, as well as for other communities surrounding its operations, is a public commitment of Vale, which also acts focused on respect for the rights of these populations, through the management of risks or impacts of its activities, qualified relationships and the view that there is always room for improvement.

Vale informs that it does not carry out any mineral research or prospecting activities inside indigenous lands in Brazil, and is in strict compliance with current legislation.

The company emphasizes its respect to the principle of free prior informed consent towards the indigenous communities and is reevaluating its portfolio of mining processes, including research requirements that interfere totally or partially in indigenous lands.

Below are some clarifications on the points presented in the report.

Allegation: Contamination of the Cateté River of the *Xikrin* Indigenous Land and compensation for past gold extraction activities and current copper extraction activities
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Description: “In the Amazon, in the state of Pará, Vale operates the Carajás Complex, the largest iron ore extraction project in the world. Production is channeled through a railroad over 1,000 km long, from Carajás, in Pará, to the Ponta da Madeira Port, in São Luís, state of Maranhão. The railroad is key to Vale’s exports, which are mainly bound to China. Conflicts with Indigenous Peoples are piling up in this region. Vale is accused of contaminating the Cateté river, main water source of the *Xikrin* Indigenous Land. An action filed in 2018 by the *Xikrin* people demonstrates the direct impact that the mining company’s operations have had in the way of life of the *Xikrin* and *Kayapó* people. The mining company, which had its operations in the Onça Puma mine halted several times, denies the impacts. More recently, the Covid-19 pandemic - which has not halted Vale’s activities - has aggravated the situation of the indigenous people in the region. The *Xikrin* also demand compensation for past gold extraction activities and current copper extraction activities.”

Vale’s Position: Associations representing the *Xikrin do Cateté* and *Kayapó* Indigenous Peoples and Brazilian public authorities allege a negative impact on the health of communities near the Onça Puma nickel mine, as well as that the plant’s waste polluted the Cateté River with heavy metals, which would have led to the fetal deformities and other serious diseases.

In September 2017, the Federal Court ordered the suspension of extractive activities in the mine of Onça Puma, conditioning the return of the operation to the proof, by Vale, of the implementation of an economic and environmental management project to compensate the indigenous peoples affected by the activity.

Vale filed an appeal requesting the revision of the decision, and, based on the conclusions of the reports prepared by judicial experts in several scientific matters (especially limnology, biology, geology and metallurgy), which stated that there was no causal link between the mining operation of Onça Puma mine and the alleged contamination of the Cateté River, and so the enterprise not being the source of contamination of the referred watercourse. Thus ratifying the efficiency of the operation control systems and the existing data in the reports periodically forwarded to the State Environment Secretariat of Pará (SEMAS), as the competent environmental agency to license and inspect the mining enterprise.

It should be noted that the Itacaiúnas watershed, which includes the Cateté and Itacaiúnas Rivers, their streams and contributors, is located in a geological region with a natural presence of metals such as iron, nickel, copper, among others, and, therefore, such metals are inherent to the characterization of the region's soil, occurring in volumes naturally higher than those provided for in the parameters of the legislation.

In September 2019, the President of the Supreme Federal Court (STF), in a monocratic decision and considering the information and the reports prepared by the judicial experts, released, until the final decision that analyzes the merits of the judicial demand, the return of the operation of the Onça Puma mine. In addition, it ordered the release of judicial deposits to the *Xikrin do Cateté* and *Kayapó* and the monthly payment to them. In a judgment held on September 8, 2020, the STF confirmed, by majority vote, of its president's monocratic decision, in its entirety.

At a conciliation hearing held within the scope of the lawsuits pending at the Federal Civil Court of the Judicial Subsection of Redenção (PA), on November 4, 2020, a procedural agreement was signed between Vale, *Xikrin do Cateté* and *Kayapó*, and Federal Public Prosecutor's Office, counting on the positive manifestation of FUNAI and the State of Pará. There was also the temporary suspension, for a period of 1 year, of the procedural course of lawsuit, its resources and developments, as well as other legal proceedings in which the company and these peoples appear as parties, jointly or separately, with the objective of creating a favorable and harmonious environment for construction, through a joint and participatory manner, in an agreement that may close all these lawsuits. This is an important step as it shows the engagement with the *Xikrin do Cateté* People and their willingness to build a new relationship model.

Regarding the S11D mine, the company informs that the project is duly licensed and that it is periodically inspected by the competent bodies. Noting that, due to total physical impossibility, the referred mining enterprise is not used and does not impact the first mentioned watercourse. It is worth mentioning that, in the case of a dry operation enterprise (with a process that does not need to capture and use water), one where its rainwater drainage flows into the opposite side to the Itacaiúnas Watershed (that is, to the Parauapebas Watershed), as well as because there is a geological feature (mountain range) separating these watersheds, there is no need to talk about contamination of the Itacaiúnas River by the S11D. In addition to the above, it should be noted that the project is located more than 10 km from the *Xikrin* Indigenous Land, a factor that, supported by the legal assumptions established in the Interministry Ordinance

No. 60/2015, waives the need to conduct a Study of the Indigenous Component. Nevertheless, Vale, in compliance with a court decision, is currently in the process of carrying out said study.

Likewise, Vale and its subsidiary, Salobo Metais, inform that they comply with the legislation, that the Salobo Mine project is duly licensed and is periodically inspected by competent bodies, and its operating license was renewed in 2018, after a strict assessment process by the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA). The company points out that, considering the location of the *Xikrin do Cateté* Indigenous Land upstream from the project and its distance from the edge of said Indigenous Land (over 22 kilometers), the Study of the Indigenous Component, as in the case of the S11D Mine project and for the same reason presented in the previous paragraph – provisions of Interministry Ordinance No. 60/2015 – also for the Salobo Mine project, it was not necessary to prepare the referred to study, at any stage of the licensing of the industrial unit, by decision of the competent environmental agency and pursuant to current legislation.

Compliance with environmental requirements related to the *Xikrin do Cateté* indigenous people is reported annually to the competent environmental agency (IBAMA) through the Annual Environmental Performance Report (RADA). Despite that, due to a court decision, the work plan for the preparation of the Study on the Indigenous Component is in progress.

Finally, it is important to note that, in addition to the primary responsibility of the State, Vale has been supporting the health of *Xikrin do Cateté* People, by providing complementary health care, as well as emphasizing that it maintains an open and continuous dialogue with this population and reinforces its respect for *Xikrin do Cateté* People.

The Indigenous Associations representing the *Xikrin* entered, in July this year, with a new lawsuit against VALE, IBAMA, FUNAI, ICMBIO and Brazilian Federal Government, this time questioning the regularity of the environmental licensing process of the *Projeto Alemão* mine and requesting payment indemnity for the mining operation of the *Igarapé Bahia* Mine project, which has been closed since the early 2000s.

Vale has not yet been cited in this process, however, it registers that, on November 13, the court of the 2nd Federal Civil Court of the Judicial Subsection of Marabá decided to ignore the preliminary injunctions made by the indigenous associations, including the unrealistic claim for damages, rejecting the claim of urgency declared by the Indigenous Associations, as well as reinforcing the legal principle of presumption of legitimacy of administrative acts.

Finally, it should be noted that the aforementioned lawsuit is one of those that will be reached by the procedural agreement signed between Vale, *Xikrin do Cateté* and Federal Public Prosecutor's Office, will be the target of a request to suspend its processing. This step is very important for the resolution of this controversy and for the consolidation of a partnership and trust relationship with these Indigenous Peoples.

And that the various projects and programs, already underway, both with the *Xikrin do Cateté* and the *Kayapó*, are the result of this permanent engagement, the protagonism of the indigenous people, and the long-term vision.

Allegation: Breach of agreements with Indigenous People of the Rio Pindaré, M  e Maria, Xikrin and Arariboia Indigenous Lands - page 17

Description: "The Caraj  s Railroad directly affects four Indigenous Lands: *Rio Pindar  , M  e Maria, Xikrin* and *Arariboia*. The company is accused by indigenous people of repeatedly breaking agreements settled to mitigate the impacts in the region."

Vale's Position: Regarding the Caraj  s Railroad (EFC), Vale clarifies that, since its construction in the early 1980s, the company carries out support activities to indigenous peoples, including actions in the health, education, production activities, among others. All railroad activities are carried out in agreement with current legislation, respecting the rights of these populations. It should be clarified that EFC has no influence on the *Ararib  ia* and *Xikrin do Catet  * indigenous lands.

Since the 1980s, Vale has been supporting the *Gavi  o* People in health actions, production activities, among others. Currently, there is an Agreement in force that establishes the annual amount of R\$ 14 million, be transferred monthly to the indigenous associations of the *Gavi  o* People, which are responsible for applying the resources in their own ethnodevelopment. We also highlight that several ethnodevelopment projects and Basic Environmental Plans (Social and Environmental Projects were implemented with the *Aw  * and *Guajajara* people.

Vale seeks to maintain a respectful relationship and carries out actions that prevent, mitigate or compensate for possible impacts of its operations on these populations through which the Iron Road passes. Therefore, it has signed agreements with the *Aw  * and other indigenous peoples who live in the area of influence of the Caraj  s Railroad, through FUNAI, partners and directly with indigenous associations.

Vale maintains a Cooperation Agreement to support the *Awá*, *Guajajara* and *Ka'apor* Indigenous peoples who inhabit the *Caru*, *Awá* and *Alto Turiaçu* Indigenous Lands and provide support to productive activities focused on the ethnodevelopment of these populations.

The Basic Environmental Plans (Social and Environmental Projects) in Brazil usually last 5 years, therefore the *Awá* and *Guajajara* programs are entering in their third year of implementation , which comprises the construction of 04 collective spaces, using bioconstruction techniques, intended for strengthening and revival of the indigenous culture. We also highlight the important Territorial Protection activities, in partnership with FUNAI's Front for the Protection of Recent Contacted Indigenous People, with technical support and the provision of equipment, and the various training activities, which include management activities, institutional strengthening, and support for productive activities.

The Commitment and Cooperation Term (TCC), settled between Vale, indigenous people and FUNAI. The main points of the TCC in 2019 were the construction of 05 flour mills in the *Alto Turiaçu* and *Rio Pindaré* Indigenous Lands, construction of 01 rice plant at Rio Pindaré and a silo for storage at the *Awá* Indigenous Land. Improvement works were also carried out at 05 access routes to the *Alto Turiaçu* and *Awá* Indigenous Land, facilitating movement between villages without the need to leave the Indigenous Lands.

Allegation: Mining in Indigenous People – page 17

Description: “Although denied, Vale also receives several requests for exploitation within Indigenous Lands in the Amazon region. Among 236 requests, those affecting the Trombetas/Mapuera Indigenous Land (TI) should be noted, located between the states of Roraima, Amazonas and Pará, with 68 requirements; Munduruku TI, in Pará, with 52 requests; TI Xikrin do Rio Catete (PA), with 37; Kayabi (PA), with 35; and Menkragnoti/Baú (MT/PA), with 26.”

Vale’s Position: Vale has a decade-long relationship with indigenous peoples in Brazil and abroad, always respecting the rights, culture, interests and perspectives of these communities. Vale complies with the legislation under all its aspects and faithfully complies with the internationally acknowledged principle of Free Prior Informed Consent - FPIC for the development of activities in approved Indigenous Lands.

Vale hereby informs that it does not carry out any mineral research or prospecting activities currently in Brazil's Indigenous Lands, neither mining concessions nor expected concessions. In addition, the Vale production plan does not consider mineral resources or mineral reserves in Brazilian Indigenous territory. Vale also states that its current production plan does not comprise mineral resources or reserves within indigenous lands in Brazil.

The company constantly reevaluates its mining process portfolio, including titles and research requirements that fully or partially interfere with indigenous lands.

In updated figures, Vale has 2 (two) titles in the Mining Requirement Phase, obtained prior to the approval of the respective Indigenous Lands.

Also, as an inheritance of the State Owned company period, Vale has over 42 (forty-two) Research Request processes in Indigenous Lands, in other words, processes that refer to an expectation of concession, while up to the present moment none of these concessions (Research Certifications) were granted. It should be noted that Vale has never developed activities in this region due to the lack of property and regulation by the Government. Furthermore, most of these research requirements were recorded prior to the approval of respective Indigenous Lands.

While the National Mining Agency (ANM) website states a higher number of processes under Grupo Vale companies, most of these processes were waivered/closed by Vale itself, only pending approval by ANM or refusal by the Agency itself.

Regardless of eventual approval of any mining laws in Brazilian Indigenous Lands, Vale reinforces the commitment established in its Global Human Rights Policy to address the principles of the "Position Statement on Mining and Indigenous Lands" of the International Council on Mining and Metals - ICMM, with compulsory observance of the free prior informed consent of indigenous peoples in order to develop any activities in Indigenous Lands in Brazil or anywhere in the world.

Allegation: Damage to the health of the Tembé people caused by operations of a Vale subsidiary company - Biopalma - page 17

Description: "In addition, a Vale subsidiary company, Biopalma, processes palm oil in Pará, and the massive use of agrotoxins in crops directly affects the health of the Tembé people, as well as polluting rivers and streams. Contamination was attested by technical analysis."

Vale's Position: On Biopalma's actions, the company clarifies that it does not perform any activities in the indigenous land. It should be emphasized that agrochemicals and pesticides are not used in crop areas near indigenous lands. The techniques used in planting palm strictly complies with environmental rules and controls, with no negative impact to the environment."

Allegation: Environmental Damage caused by the breaking of the Mariana Dam cause environmental damages to the Tupiniquim, Guarani and Krenak people - page 19

Description: "Despite not taking place in the Amazon region, it is impossible to talk about Vale and not mention its involvement in the greatest environmental disasters in Brazilian history. On November 2015, the breaking of a mining tailings dam in the state of Minas Gerais, southeastern Brazil, unleashed a wave of toxic mud that ran nearly 700 km until it reached and contaminated the Atlantic Ocean, near the state of Espírito Santo. The destruction of the Rio Doce directly affected the *Krenak* Indigenous tribe, in Governador Valadares (MG). Ailton Krenak, an important indigenous writer and thinker, gives us the dimension of the importance of the Rio Doce to his people. "It is simply irreplaceable because we refuse to admit it is dead. This is why we are at the left bank of the Rio Doce, standing vigil over the body of this relative of ours, Watu, our grandfather. The Krenak will not leave. Even if Vale rains fire over our village to remove us, we will stand our ground. It is an extremely difficult thing to understand for people who have not experienced something like this.". In the state of Espírito Santo, the *Tupiniquim* people also fights for compensation, since the water in the region is completely contaminated."

Vale's Position: Vale's relationship with *Tupiniquim* and *Guarani* Indigenous Peoples is due to their relationship with the EFVM (Vitória Minas Railway) and Barra do Riacho Branch Line, which culminated in the environmental licensing process and the preparation of the Indigenous Component Studies and the implementation of the Basic Environmental Plan (PBA) for the Indigenous Component of the *Comboios* and *Tupiniquim-Guarani* Indigenous Lands – PBACI. Since then, for conducting this relationship, Vale has a dedicated and experienced professional who establishes an open and clear dialogue with these communities in the process of implementing the impact mitigation actions established in the PBA. Due to the breaking of the Fundão Dam, a Consent Decree (TTAC) has been established, which provides for the implementation of the Protection and Remediation Program for the Quality of Life of Indigenous Peoples and Traditional Communities, in order to mitigate, remediate, recover and compensate for the social, economic, environmental and cultural impacts that may be identified, as well as

promoting the integrated development of indigenous communities directly or indirectly impacted in the area within the scope of the event.

In relation to the *Krenak* People, the relationship is also due to the Vitoria Minas Railway. Since 2008, through an agreement, Vale has supported the project for the productive activity of dairy farming, in addition to the construction of cultural centers and environmental actions. Like the *Tupiniquim* and *Guarani*, the *Krenak* are part of the actions addressed in the scope of the remediation due to the rupture of the Fundão Dam.

Vale points out that the Renova Foundation was created in 2016, with the purpose of carrying out actions to redress and compensate for the impacts associated with the breaking of Fundão dam, which occurred on November 5, 2015. It was provided for in the Consent Decree (TTAC) signed between Samarco, its shareholders Vale and BHP Billiton, the Federal Government, the States of Minas Gerais and Espírito Santo and several public authorities at the federal and state levels.

Therefore, the Renova Foundation manages and performs reparation actions, including, but not limited to, the transfer of financial aid, supply of inputs, road maintenance and well drilling. The Renova Foundation challenges some allegations about water quality, since they are inconsistent and were made without the necessary technical and scientific rigor to demonstrate causal connection with the breaking of the Fundão dam.

For further information on monitoring the programs to redress the damage caused by the breaking of the Fundão dam, please visit the institution's website:
<https://www.fundacaorenova.org>

Allegation: Lack of assistance to the Pataxó and Pataxó Hã Hã Hæ people impacted by the breaking of the Vale dam in Brumadinho/MG - page 19.

Description: “A new Vale dam breaking, this time in Brumadinho, on January 2019, killed 270 people and affected the Naô Xohã settlement, belonging to the Pataxó Hã-hã-hæ people. Nowadays, the Pataxó were forced to move to the outskirts of Belo Horizonte. On September 2020, 20 months after the Brumadinho dam broke, Vale announced R\$ 12.4 billion in payment to shareholders, while still no proper compensation is handed out to affected communities and victims' families.”

Vale's Position: Firstly, Vale reports that, due to the consequential impacts of the breaking of the Brumadinho dam, Vale S.A. entered into an Emergency Preliminary Consent Decree (TTAP) with the Federal Public Prosecutor's Office in April 2019, with the purpose of regulating issues related to the specific satisfaction of the needs of the *Pataxó* and *Hã Hã Hæ* indigenous groups, residing in *Naô Xohã* settlement, located in the municipality of São Joaquim de Bicas (MG) and in Belo Horizonte (MG).

The National Indigenous Peoples Foundation (FUNAI) has issued, in 12/13/2018, a *Pataxó Nahô Xohã* Land Qualification Report, which attested that the *Naô Xohã* Settlement is not a Traditionally Occupied Indigenous Land. This is a recent occupation, and the area was owned by MMX/EBX company and was recently acquired in an auction by another legal entity. According to the report, the indigenous people occupied the location on November 2017 invited by the Brazil's Landless Workers' Movement (MST), which already had built the "Pátria Livre" ("Free Nation", in Portuguese) settlement nearby since June 2017, and representatives of the Puri, Pataxó, Karajá and Kambioá have settled on the location. When FUNAI visited in June 2018, 15 families lived in the village, named *Naô Xohã* ("Warrior Spirit"). These families were basically from the *Pataxó* and *Pataxó Hã Hæ* ethnicities, while families from other ethnicities occasionally visited the occupation. Most indigenous individuals that comprised the settlement's population came from southern Bahia (municipalities of Santa Cruz Cabrália, Coroa Vermelha and Barra Velha). They now live in Belo Horizonte or in its metropolitan zone for almost 15 years.

On March 2019, relatives of one group of the *Naô Xohã* settlement left the village, claiming a lack of safety, due to external threats, since then mostly living in the Bairro Taquaril, Jardim Vitória and Parque São Pedro districts of the city of Belo Horizonte. The group's reasons for leaving were officially recorded by the deputy Chief Werymerry (Kenya) in two documents, dated March 18 and 25, sent via e-mail to FUNAI, to the Federal Public Prosecutor's Office and to Vale. The board requested that any dealings with Vale were carried out, from then on, separately from the group that remained in the *Naô Xohã* settlement. Vale took notice of the group's request, adding them to the compensation actions. Since the split occurred last March, Vale assists both indigenous groups and all remediation actions are scheduled and carried out in this sense, while considering the specifics of each case.

Within the scope of the aforementioned Emergency Preliminary Consent Decree (TTAP), Vale has been carrying out structuring actions for the full reparation of indigenous groups,

aimed at economic restructuring, through monthly financial assistance, the full restoration of indigenous health, through a specific program to monitor the situation of families in the post-collapse period and primary assistance.

In the first months, emergency social assistance and health actions for indigenous people were carried out by the company, which provided about 10 tons of protein until May 2019, about 3,300 cleaning and personal hygiene items, about 900 household items and other essential items.

It should be noted that, in February 2019, based on a project prepared by the Special Indigenous Sanitary District (DSEI Minas Gerais and Espírito Santo), Vale installed a 10,000 liter water tank and a distribution network to bring drinking water with a tap to each home, in addition to distributing ceramic water filters to families. Piped water is supplied by Copasa's network and consumption costs are paid by the mining company. For better consumption conditions, since November 2019, Vale also supplies 1,500 liters of mineral water weekly to the *Naô Xohã* village, following the volume of consumption per capita recommended by the World Health Organization. Therefore, during the emergency period, Vale guaranteed full assistance to the indigenous people, ensuring both the health and food security of those affected.

In this regard, Vale works in conjunction with the Special Indigenous Sanitary District (DSEI MG-ES), the National Indigenous Peoples Foundation (FUNAI), the State Health Department and the local health departments of São Joaquim de Bicas and Belo Horizonte. These bodies are part of the Interinstitutional Committee for Monitoring the Health Diagnosis (CIADS) in the context of remediation to the *Pataxó* and *Pataxó Hã-Hã-Hãe* indigenous Peoples.

Vale S.A. also signed a Cooperation Agreement with the Health Department of the Municipality of São Joaquim de Bicas in order to support the public agency in assisting the indigenous of the *Naô Xohã* village and installing in the location occupied by the indigenous people, with the consent of competent bodies, a Basic Health Unit, toilets and bathrooms. In addition to the above, TAP-E *Pataxó* also provides for the contracting of an independent technical consultancy for the indigenous people and a social and economic consultancy that will make the diagnosis of impacts and damages aiming at the total reparation of the community, both processes are in progress under the direction of the MPF (Federal Public Prosecutor's Office) and FUNAI.