Reconstruction of the Bridge at Alberto Flores Avenue in Brumadinho, MG

Vale
Eduardo Bartolomeo
Bank of America Merrill Lynch Global Metals, Mining & Steel Conference
May 14th, 2019
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Priorities
We will write a new chapter in our history based on the following priorities:

**Safety**
- Personal Safety
- Process Safety

**People**
- Communities
- Employees

**Reparation**
- Comprehensive
- Agile
Reparation
Action has been taken since first hour after the dam rupture in humanitarian emergency aid. Relief and reparation followed

- **US$ 76 million** in donations¹ to communities

- **US$ 13 million** in donations¹ to Fire Department, Civil Defense and Police Force of Minas Gerais

- Provision¹ of **US$ 2.3 billion** for agreements

¹ As recorded in 1Q19 Earnings Results
We are taking actions to reduce the environmental impact on the Paraopeba river

- 65 monitoring points and daily analysis of water and sediments
  - +1,000,000 samples analyzed
- Investments in **water treatment stations** to restrain environmental impact and reestablish community water supply

Tailings have not reached the São Francisco River
We will not rest until every damage from Brumadinho is repaired or compensated for

Special Director for Recovery

• Directly reporting to the CEO
• Over 400 staff allocated to the structure
• From emergency to permanent recovery
• Actions of recovery to be carried out in Brumadinho and along the Paraopeba river

Availability of resources to enable all reparation and compensation efforts to be effectively carried out
Safety
We are already operating under stricter safety standards, but we have a long way to go

**Decommissioning**
- Provision of US$ 1.9 bi for decommissioning of remaining upstream dams

**Dam Safety**
- Revaluation under higher safety standards
- Evacuation of upstream dams areas
- Dam safe review for 99 structures

**People & Management**
- 65 new employees to support dam monitoring
- Revision of geotechnical structure and processes by international consultancy

**New Technologies**
- Geotechnical Monitoring Center
- Radar monitoring
- Satellite technology
Strengthening our Strategy
Beyond repairing – building something better

NEW STRATEGIC PILLARS

Safety and operational excellence
- To transform the way we operate in regards to three interconnected themes: (i) safety and risk management, (ii) assets management, and (iii) organization, processes and culture (VPS)

New pact with society
- To positively impact society, going beyond taxes, social projects and reparation in Brumadinho, becoming a development enabler in the areas we operate and fostering a safer and more sustainable Brazilian mining industry

Base Metals Transformation
- To keep on track with the transformation of the Base Metals business unit, applying best practices throughout all its operations

Discipline in capital allocation
- To keep focus on value creation and safety of assets, investing in the sustainability of production and in the protection/increase of margins

Maximize flight to quality in Iron Ore
- To leverage our strengths in Vale’s world-class reserves, assets and logistics to maximize the value in our premium portfolio of products
Beyond repairing – building something better

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Safety and operational excellence are key elements throughout the organization

Safety and Operational Excellence Area reporting to the CEO

- Define technical parameters
- Support use of risk and asset management models and standards by operational areas
- Focus on standards and procedures
- Audit with independence and transparency

Business areas and functional units

- Responsible for management and safety in operations
- Comply with operational excellence guidelines
- Asset risk management report and whistleblowing
- Ensure technical expertise within the operational teams
- Mandatory VPS¹

¹ Vale Production System
Vale Production System enables safe, secure and environmentally responsible operations and assets integrity.

Railroad Occurrences
(#Accidents / Millions rolled KM of trains)

- **EFVM¹**: 5.8, 2.2, 1.5, 0.6
- **Class 1²**: 2.2, 1.5

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¹ Estrada de Ferro Vitória Minas
² Average of class 1 railroads in Canada and USA
### Beyond repairing – building something better

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**Vale Day 2018**

**New pillars**
A new pact with society will define the core of our values and priorities

• Positively impact society, going beyond taxes, social projects and reparation in Brumadinho

• Deliver a new value proposition by acting as a major force for generating wealth to communities by fostering sustainable development at the local territory

• Work to take the Brazilian mining regulation beyond current standards and practices

Vale cannot and must not forget Brumadinho
## Beyond repairing – building something better

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The Base Metals transformation will deliver a robust, predictable and cash-generating operation

Nickel turnaround based on three pillars

- Increase in operational stability
- Improvements in underground mine performance
- Cost reduction
- VNC Stabilization

Supply Chain Integration

Operational Excellence – Vale Production System (VPS)

Digital Transformation
# Beyond repairing – building something better

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We will keep allocating capital in a disciplined way

- Our focus is on value creation and safety of assets
- Capital will be employed in the sustainability of production and in the protection/increase of margins

We are revisiting our portfolio of operations and assets based on a framework of risk and return
Beyond repairing – building something better

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We are considering to increase Carajás Serra Sul to 150 Mt

**BENEFITS**

- Increase our strength in dry-processing and reduce the use of tailing dams
- Increase operational and logistic flexibility in premium products
- Production of pellet feed in Brazil to supply pellets to the local steel industry

Preferred supplier of low emission metallics products to China, Europe and US, enabling significant decrease in CO2 emissions on global steel industry

Expansion of S11D to 100 Mt and Northern System logistics to 240 Mt as announced in the Vale Day 2018
And developing the associated railroad and port infrastructure

Debottlenecking of the Ponta da Madeira Port through a new port in Vila do Conde, Pará

Total length of 400 km

Enable business opportunities and positive legacy to local development in the state of Pará

Railway in Pará state connecting EFC to the Vila do Conde Port
Challenges
Our challenges ahead

1. **Rebirth of Brumadinho**
   - Brumadinho sustainable development

2. **Cultural transformation**
   - Safety becomes an “obsession” with our risk perception and safety culture evolved into an interdependent mindset
   - Sustainability entrenched in local operations and Vale perceived as a development agent

3. **Lean portfolio**
   - Optimization of risk and growth factors

4. **Recognition from society**
   - Support to our license to operate

The safest and, therefore, most reliable mining company in the world
Safety that brings reliability