Table of Contents

1. INTRODUCTION
   1.1 – Objective
   1.2 – Application of the Guidelines

2 SPECIFIC HEALTH, SAFETY AND ENVIRONMENT GUIDELINES AT VALE

3 SUPPLIER MANAGEMENT STAGES

3.1 CERTIFICATION OF SUPPLIERS

3.2 CONTRACTING OF SUPPLIERS
   3.2.1 - Technical Specification/Technical Request
   3.2.2 - Technical Visit
   3.2.3 – Assessment of the Technical Proposal

3.3 MOBILIZATION OF THE CONTRACTOR
   3.3.1 - Initial Meeting

3.4 MANAGEMENT OF THE CONTRACTOR
   3.4.1 – IMS Requirements at Vale
   3.4.2 – Performance assessment and HSE Acknowledgment

3.5 DEMOBILIZATION OF THE CONTRACTOR

4 GLOSSARY

5 FINAL PROVISIONS

6 ANNEX
   Annex to the Guidelines – Assessment of Contractors’ HSE Performance
1. INTRODUCTION

1.1 Objective
Inform the technical requirements of Health, Safety, and Environment - HSE required for the provision of services to Vale, assisting in the preparation of the Technical and Commercial Proposal of the applicant, as well as in the preparation of HSE programs for the supply and activities to be carried out at Vale or on behalf of Vale.

We emphasize that the requirements and recommendations contained in this document also apply to the Subcontractors, and the Contractor is responsible for all the events involving its Subcontractors.

Failure to comply with any of the provisions of this document will constitute severe misconduct, liable to penalty or contractual breach.

1.2 Application of the Guidelines
This document applies to Companies under bidding process or performing Controlled Activities, which contractual scope includes provision of service, regardless of the type of contracting.

In the case of Monitored and Uncontrolled activities, the applicability of the HSE requirements contained in this document will be defined locally by the HSE area.

The HSE requirements described in this document are mandatory. However, Local Legislation must be considered and prevails over them.

All Requirements contained in this document, in addition to those defined in the Technical Request/Technical Specification and Contract, must be fully applied by the Contractors and Subcontractors.

2. SPECIFIC HEALTH, SAFETY, AND ENVIRONMENT GUIDELINES AT VALE
Vale cares for the physical integrity of third parties performing activities at its premises and/or in its behalf. Aiming at providing a safe and healthy environment, some minimum HSE guidelines are established and must be considered by the Companies during the Bidding stage to ensure compliance during the term of the Contract, as follows:

- The employees of Contractors and Subcontractors must not access the operational areas of Vale or areas on behalf of Vale without proper authorization;
- The Contractor is responsible for coordinating the HSE services of its Subcontractors, whether they have their own HSE staff, or not;
- Working days, rest periods, and intervals between shifts must be complied with as defined in local legislation. The Contractor must be aware of and meet the laws in force;
- The scaling of the field HSE teams must consider the geographic dispersion of the service fronts and the number of employees;
- Upon severe and imminent risk condition to safety and/or health identified by Contractor’s/Subcontractor’s employee, the Right of Refusal must be granted to the employee, temporarily suspending the activities that he/she was performing until the corrections are implemented and such employee feels confident about performing the activities without any kind of punishment;
• The Contractor must provide appropriate uniform to its employees and must not allow the use of damaged uniforms. The uniform must be in accordance with the work to be performed;
• For any activity performed in external area and/or activities with a thermal risk, a thermal management program must be maintained;
• The Contractor must select and instruct its employees, so that all of them are able to understand safety messages and warnings;
• Vale reserves the right to suspend any work upon severe and imminent risk to the health and safety of persons, facilities, the environment, and community until the conditions of risk are eliminated. These suspensions do not exempt the Contractors from obligations and penalties established in the contract, regarding deadlines and fines. The Contractor is the sole responsible for the burden of suspensions due to severe and imminent risk.

The occupational medical examinations must be carried out in accordance with local regulations and before the employee is hired, assessing, in particular, his/her physical and emotional capacity to perform specific tasks assigned, in order to fulfill them without danger to himself/herself, to other workers, and to the property.

The pre-employment medical examination comprises mandatory clinical evaluation with occupational history, plus additional tests directly related to the risks of the working environment and the characterization of functional capacity. The occupational physicians must follow legal recommendations for activities, considering specific occupational hazards and critical activities risks - Tables 1 and 2.

<table>
<thead>
<tr>
<th>SPECIFIC ACTIVITY</th>
<th>RECOMMENDED EXAMINATIONS</th>
<th>FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV radiation - Welder</td>
<td>Ophthalmological assessment</td>
<td>Pre-employment and</td>
</tr>
<tr>
<td></td>
<td>Serology, Protoparasitological examination of feces, Coproculture</td>
<td>Annual</td>
</tr>
<tr>
<td>Dining area workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For security guards of private companies</td>
<td>Psychometric examination</td>
<td>Pre-employment</td>
</tr>
</tbody>
</table>

Note: For risks not defined in the legal standards, the occupational physician must refer to the specialized literature and complementary international standards to define the most appropriate examinations.

<table>
<thead>
<tr>
<th>RAC</th>
<th>Description of the Examination</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>5</th>
<th>6</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Physical Examination</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Occupational Eye Exam</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Conventional 12-lead ECG</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Glucose</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Spirometry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Frequency of examinations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Note: The Spirometry examination will be Biennial

• Vaccines are indicated according to specific activities and in line with the recommendations of local law - Table 3. The examinations for these activities are not related to occupational risk, but to the risk of collective transmission and public health control.
**Table 3: Vaccines for Specific Activities**

<table>
<thead>
<tr>
<th>SPECIFIC ACTIVITY</th>
<th>RECOMMENDED VACCINES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dining area workers</td>
<td>Hepatitis A vaccine (for negative employees)</td>
</tr>
<tr>
<td>Workers in endemic area of yellow fever</td>
<td>Yellow Fever vaccine</td>
</tr>
<tr>
<td>Health professionals</td>
<td>Hepatitis B vaccine (for negative employees)</td>
</tr>
<tr>
<td>All workers</td>
<td>Tetanus vaccine</td>
</tr>
<tr>
<td>Speleology workers</td>
<td>Anti-rage vaccine</td>
</tr>
</tbody>
</table>

### 3. SUPPLIER MANAGEMENT STAGES

The HSE Management Model for Suppliers aims to establish HSE Guidelines applicable to the Contractors and Subcontractors to ensure the uniformity and transparency in the relationship with suppliers of products and services, as follows:

**3.1 CERTIFICATION OF SUPPLIERS**

Companies that are interested in becoming a supplier for Vale must undergo a Certification process that consists of assessing several requirements, including HSE. A record of companies prequalified in HSE is maintained in the Supplies/Services Contracting Area database, and these companies are periodically reassessed as their conditions of certification.

Prequalification in HS is required if the term ‘Service Provision’, or equivalent, appears in the list of activities or services offered.

**3.2 CONTRACTING OF SUPPLIERS**

In contracts involving subcontracting (which can occur only with permission of Vale), the Subcontractors must comply with all contractual clauses, as well as with HSE Standards, Programs, and Legislation in force, in addition to all the requirements in this document. Vale’s Contractor is responsible for ensuring compliance with such requirements and must take full responsibility and provide all the HSE information of the Subcontractor.

The Contractor must provide Vale with all requested documentation and/or information about Subcontractors.

**3.2.1 - Technical Specification/Technical Request**

The documents mentioned in this Guideline are available on Vale’s website.

Link: [http://www.vale.com/brasil/PT/suppliers/become-supplier/Paginas/SejaFornecedor.aspx](http://www.vale.com/brasil/PT/suppliers/become-supplier/Paginas/SejaFornecedor.aspx)
Vale classifies the contract as to the HSE risks identified in activities and in the scope of the contract, and this classification is reported in Technical Specification/Technical Request. This classification is based on Vale's Risk Matrix and aims to define the controls according to the risks associated with the scope of the contract. The classifications of HSE risks are: Low, Average, High, and Very High.

The Technical Specification/Technical Request must inform, where appropriate, the characteristics/scenarios that may interfere with the performance of activities comprising the scope of the contract and that must be included in the technical proposal that will be prepared by the applicant, as well as items identified throughout this document.

The Contractor's HSE professionals must be aware of the Technical Specification/Technical Request.

### 3.2.2 - Technical Visit - Technical Clarification

The Technical Specification/Technical Request identifies if a Technical Visit is required or not.

The Technical Visit aims to remove HSE concerns. The Applicant must provide the participation of a professional who has knowledge in HSE subjects for contracts with Average, High, and Very High HSE risk to ensure correct understanding of HSE provisions, clarification of questions, and indication of characteristics of the service that can interfere with the execution of the Applicant's activities. (If the company has not a HSE team, the participation of the company's Representative can be accepted upon consent of the Vale).

The following are examples of items that are addressed, among others:

- The risk situations (mechanical and environmental) and the HSE aspects of Vale's processes and areas that interface with the contractual scope;
- Local HSE requirements;
- Methodologies and models of Vale forms that the Contractor must use;
- The minimum HSE conditions to be ensured at the Contractor's own premises in Vale's area(s) where the service will be performed and at the time of demobilization;
- Requirements for access to Vale's areas – people and equipment;
- Information about the Emergency Response Plan of Vale.

### 3.2.3 - Assessment of the technical proposal - Clarification of questions

In the analysis of the technical proposals, the HSE teams of Vale will verify the compliance with these Guidelines, the HSE documents related to this document, and the HSE items defined in the Technical Specification/Technical Request.

For Contracts mobilized by the Departments/Capital Projects Areas and by the Exploration and Mineral Projects Department, adherence to the HSE Management Plans will be verified in accordance with ES-R-403 and the HSE Guidelines for Suppliers of the Exploration and Mineral Projects Department, respectively.

In this step, the applicant will have the opportunity to clarify questions about HSE requirements in order to ensure correct understanding of the HSE provisions.

### 3.3 - Mobilization of the Contractor

The Contractor must apply the requirements of the Local Legislation for the adequate mobilization of the Company and its employees.

#### 3.3.1 - Initial Meeting
This meeting aims to present, clarify, and disclose the assignments of the HSE team of Vale and the HSE team of the Contractors, as well as those of the Contract Manager, Contract Supervisor, Corporate Security, and Representative(s) of the Contractors in compliance with the laws and HSE guidelines of Vale, in addition to clarifications regarding the mobilization process of third parties.

For contracts with Average, High, and Very High HSE risk, the Applicant must arrange the participation of a professional having knowledge in HSE (if the company does not have a HSE team, the participation of the company’s Representative can be accepted upon consent of the Contracting Party).

3.4 MANAGEMENT OF THE CONTRACTOR

During the rendering of services to Vale, the Contractor must contribute to the evolution of Vale’s Integrated Management System (IMS) in relation to compliance with the applicable HSE requirements. The HSE documents made available on Vale’s website must be fulfilled in full during the term of the contract/provision of independent service of the Department where they will be mobilized.

The application of Vale’s IMS to the Contractors differs by type of Business where the Contract will be executed as defined in Vale’s IMS Manual and described in this chapter, and contractors performing activities in the Mineral Exploration and Capital Projects phases must use their own Management Systems, tools, and documents, provided that they meet the minimum requirements established by Vale for contracting of Technical Specification/Technical Request. Given that:

- **Contracts mobilized by the Departments/Capital Project Areas**: the minimum requirements that must be met in relation to the management of the Contractor are described in ES-R-403 - Specification of HSE Requirements for Contracting in Capital Project
- **Contracts mobilized by the Exploration and Mineral Projects Department**: the minimum requirements that must be met in relation to the management of the Contractor are described in the HSE Guidelines for suppliers of the Exploration and Mineral Projects Department
  - Note: In the two cases above, Vale’s IMS Requirements in item 3.4.1 of this document are not applicable, except for R12 - Monitoring, Performance Indicators, and Continuous Improvement - regarding Reactive Indicators, in addition to those defined by the Contractor’s Management System.
- **Contracts Mobilized by other Departments/Areas, including Contracts mobilized by the Exploration Areas**: Vale’s Integrated Management System must be applied in full during the term of the contract, exceptions may occur for contracting made by the Exploration Areas, where the minimum requirements and characteristics of the locations are described in the technical specifications.

3.4.1 Vale’s Integrated Management System - IMS

Vale’s IMS comprises 12 requirements and aims to identify and treat risks and impacts to workers, the environment, and facilities.

**R1 - POLICY, OBJECTIVES AND TARGETS**

The Contractor must communicate Vale’s Sustainability Policies to all its employees by means of mechanisms defined by Vale.

The objectives and goals, when applicable, are deployed by means of Vale’s actions to the Contractor and monitored by means of HSE Performance Analysis applied by Vale during the contract.

The Policy is available on Vale’s Suppliers page, on Vale’s website.
R2 - HAZARDS AND RISKS/ASPECTS AND IMPACTS/ MANAGEMENT OF CHANGES

HSE Risk Management:
The Contractor must ensure that HSE risks, aspects, and impacts relating to its activities, products, and services under its responsibility are identified, analyzed, assessed, controlled or mitigated, and monitored. It must also guide its employees about the risks of the activities in which they are involved, as well as allow an employee to refuse (Right of Refusal) performing any task, activity, or operation they do not feel confident to execute.

The controls implemented must follow the “most efficient” order of priority established in the concept of Control Hierarchy as defined in Figure 1:

![Hierarchy of Controls](image)

The results of Vale’s Risk Analyses and Environmental Aspect and Impact Assessment that interface with the scope of the contract must be informed on the Technical Specification/Technical Request reinforcing the obligation to comply with local legal requirements applicable to risk management, as well as the environmental aspects and impacts.

Task Risk Analysis is the assessment of risks and impacts associated with the steps of a task, which allows to define appropriate control measures to eliminate, minimize, or control the risks, aiming at the safe performance of the task.

**Management of Change**
The Contractor must identify any change that may directly or indirectly affect HSE, changing risks of processes/activities included in the scope of the contract, and inform the Contract Manager/Supervisor for analysis and validation of the change, also assessing the need to adjust the scope of the contract.

R3 - LEGAL AND OTHER REQUIREMENTS

The Contractor must meet the legal requirements and other HSE requirements applicable to its activities, products, and services, and in no event, is allowed to claim to be unaware of them. In case of conflict between the legislation and Vale’s internal standards, the most restrictive provisions will prevail.

All documents evidencing compliance with legal and other requirements related to the scope of the Contractor must be available at any time for inspections/internal or external audits.
If legal nonconformities are identified during the term of the contract, an action plan must be established by the Contractor and an assessment must be performed by Vale to assess the results of the legal non-compliance.

**R4 - LEADERSHIP, ROLES AND RESPONSIBILITIES**

The Contractors must:

- Implement the HSE processes and programs according to local legal requirements, HSE Management Guidelines for Suppliers, and specific HSE guidelines of Vale indicated in the Technical Specification/Technical Request;
- Demonstrate active leadership by means of participation, promotion of activities, and HSE initiatives involving all employees, as well as ensure the resources and support necessary for the effective management;
- Perform critical analysis of HSE of inspections and execution of actions for treatment of nonconformities during implementation and operation of controls related to activities under its responsibility, and demonstrate continuous improvement in HSE performance;
- Participate in the HSE meetings according to programs established by contracting areas and as defined in the Technical Specification/Technical Request;
- Implement the application of the “Golden Rules” of the Department/Contracting Area, when applicable;
- Report any incident to the Contract Manager/Supervisor and HSE area of Vale and participate in the analyses of incidents according to the internal standard of Vale;
- Assess effectiveness of communication and share knowledge and lessons learned;
- Collect, consolidate, and make available HSE information and indicators of its company;
- Perform field inspections as defined by Vale’s Contracting area;
- The analyses of Fatal Accidents with employees during the rendering of service for Vale must be presented to the Health and Safety Director of Vale by the Senior Management of the Contractor.

**R5 COMPETENCE, TRAINING AND BEHAVIORAL DEVELOPMENT**

The Contractor must ensure that all workers under its responsibility have their training needs identified by position/function and that they are properly trained, qualified, and authorized according to the legal requirements and internal standards of Vale regarding applicability, validity, workload, and need for retraining.

Proof of qualification must be available at any time for mobilizations, verifications, inspections, and audits during contractual term.

The specific HSE training sessions required by Vale are the following:

- **Introduction to HSE** – Training aiming at meeting local Legal Requirements towards third parties performing activities at units of Vale or on its behalf and that fall under the local Legislation. Aiming at optimization, the contents of this training may comprise the items of the Basic HSE Training that are not comprised in Legal Requirements. Retraining must meet local legislation.

- **Basic HSE Training** – Training with 4 hours of instruction.

The employees of Contractors and Subcontractors must receive basic guidelines before entering and starting their activities at the premises of Vale or in areas of third parties/remote areas.
The Contractor can provide Basic HSE Training if authorized by the HSE team of the location and that at least the material provided by Vale is applied, comprising:

a) Vale Code of Ethics and Conduct;
b) Vale Sustainability Policy;
c) Local Emergency procedures;
d) Personal appearance – Clothing, shoes, jewelry, and accessories;
e) Reporting of incidents;
f) Security information - Use of cell phones, cameras, or camcorders;
g) Vale’s HSE Integrated Management System/HSE Programs and tools – overview;
h) Golden Rules of the Business Unit;
i) Risks of the Unit and Vale’s operational processes;
j) RAC – overview;
k) Concepts of Ergonomics;
l) Concepts of Occupational Hygiene
m) Driving Rules - Signs, maximum permitted speed, interaction with other road users, driving to conditions;
n) Environmental Requirements – e.g.: conditions

The Basic HSE training is accepted in other Areas of Vale with additional 2 hours of instruction on the specific local requirements of another Area.

Third parties who are absent from Vale’s activities/areas for more than six (6) months will be required to undertake Basic HSE Training ‘refresher’ with reduced hours of instruction or HSE Briefing.

Guidelines for application according to HSE risk classification of contracts:

1. Low Risk:
   - Time for execution of Activity provided for in contract less than one month: The Basic HSE Training will not be held. However, a Safety Briefing will be applied;
   - Time for execution of Activity provided for in contract greater than one month: The Basic HSE Training can be replaced by the Safety Briefing according to local criterion of Vale.

2. Average, High/Very High Risk:
   - Time for execution of Activity provided for in contract less than one month: The Basic HSE Training can be replaced by the Safety Briefing according to local criterion of Vale;
   - Time for execution of Activity provided for in contract greater than one month: The Basic HSE Training is mandatory.

- **RAC Critical Activity Requirements** – The Contractor is responsible for providing training sessions in accordance with the Guidelines for RAC Training Actions.
  Some RAC training sessions may be replaced by legal training sessions as long as they comprise the same minimum content required for each RAC. The HSE area must validate the equivalence between legal training and RAC training.

The training Materials and the Guidelines for RAC Training Actions are available on the Suppliers Page, on Vale’s website.
• Other Training Sessions established in the Technical Specification/Technical Request of the contract.

**Behavioral Development**
The Contractors with contracts of Average, High, or Very High HSE risk must implement a behavioral development tool focused on loss prevention. This process must be educational, emphasizing appropriate behaviors and leading to awareness and change of inappropriate behaviors and, therefore, must not result in punishment associated with the HSE deviations found.

The Contractor must implement a method of management of Behavioral Dialogs containing at least: registration, follow-up of planned X accomplished actions, most frequent items, immediate feedback to those involved, status of treatment, and time (in days) of open dialogs.

The Contractor may use its own behavioral dialog methodology and forms as long as it submits the proper systematization of this process and upon approval by the Contract Manager and Vale’s HSE professionals. The Behavioral Dialog form template will be informed in the Technical Specification.

**R6 COMMUNICATION, PARTICIPATION AND CONSULTATION**
All HSE incidents (personnel, material, and environment), as well as any notices of violation, fines, or notifications received from authorities and complaints from interested parties must be immediately recorded and reported to VALE, and their omission will not be accepted.

The Contractors must develop effective communication processes with their respective employees and contractors in order to disseminate HSE information and guidance regarding execution of the contract of VALE, comprising at least:

- Reporting of Contractor’s HSE incidents;
- Dissemination of Best Practices;
- HSE Indicators;
- Programs and information for prevention of illnesses and accidents provided for in local laws.

The following can be used as means of communication:

- Awareness campaigns;
- HSE meeting;
- HSE dialogs, among others.

The Contractor must maintain records evidencing communication with the employees, as well as assess the effectiveness of the communication and treat the improvement opportunities identified. The Contractor is responsible for defining the method for assessment of effectiveness.

The Contractor may use its own HSE Dialog methodology and forms provided that it submits due systematization of this process and upon approval by the Contract Manager and HSE professionals of Vale. For contracts of Average, High, or Very High HSE risk and with duration above one month, HSE Dialogs must be made on a daily basis.

**R7 DOCUMENTS, RECORDS AND INFORMATION**
The Contractor must ensure that HSE documents and records, as well as updates and information on compliance with HSE regulations and standards, applicable to the scope of the contract, are available (in physical or electronic media) and controlled during the execution of the activities and for the purpose of inspections/audits during contractual term.
Information/documentation specific to the location are provided in the Technical Specification/Technical Request and/or at the initial meeting, and the updating of this information/documents is performed by the Contract Manager/Supervisor. The operational procedures for carrying out activities, as well as the records, must be prepared by the Contractors (with their logo), complying with the legal requirements of HSE and other requirements informed by Vale.

Vale’s HSE procedures applicable to the Contractors are available and the updates are automatically adjusted on the Suppliers Page, on Vale’s website.

R8 OPERATIONAL CONTROL
The Contractor must establish its operational controls based on assessments of hazards/risks and aspects/impacts, applicable legal requirements, and standards of Vale, ensuring the implementation of effective actions for mitigation of risk and control of identified aspects. The main HSE operational controls of Vale are described below:

Critical Activity Requirements (RAC)
The Critical Activity Requirements (RAC) - Figure 2 are minimum Health and Safety regulations established by Vale for ensuring Zero Harm and must be followed by the Contractors and their employees. The Contractor must analyze the scope of its contract to map the applicability of RACs and define its actions and control measures for each RAC according to Corporative Procedure.

All RAC-related documents are available on the Suppliers Page, on Vale’s website.

Work Permit - WP
Vale has a standard WP that is used when performing a certain task with significant risk, and this task must be authorized by Vale’s professional or formal representative. The entire process and model of WP of Vale to be presented at the initial meeting must be used.

Fatality Prevention Program
It aims at establishing requirements for active and continuous management of the risks of situations with potential for fatalities, with the commitment of the leadership and participation of employees. The Contractor is considered in Vale's strategy to prevent fatalities, according to corporate guidelines and legal requirements. Vale’s fatality prevention program neither inhibits nor prevents the Contractor to have its own Fatality Prevention strategy/program.
The requirements of the Fatality Prevention Program of the area where the services applicable to Contractors will be provided will be considered in the Technical Specification/Technical Request of the contract.

Vale’s Guidelines of the Fatality Prevention Program is available on Suppliers Page, on Vale’s website - item for consultation only

**Personal Protective Equipment (PPE)**

The Contractor must define and use Personal Protective Equipment - PPE suitable to the risks of its activities and in accordance with legal requirements.

The aspects regarding the determination of PPE for access to Vale's areas are defined in the Technical Specification/Technical Request.

**Occupational Health Controls**

**a) Chemical Dependency Program:** Any Contractor with contractual term greater than one month must develop and implement a Chemical Dependency Program to avoid access of employees under influence of alcohol and drugs to the work front, ensuring individual and collective safety and security of property of the Contracting Party and the Contractor.

It is prohibited to keep or consume alcoholic beverages or illegal substances on the premises of Vale or on its behalf. In accordance with the local legislation, the Contractor must monitor its employees before their entry into the premises of Vale and also during their work. Those who are found under influence of alcohol or drugs during working hours will be removed from the location.

**b) Endemic Diseases and Travelers Health:** The Contractor must prepare and implement an Endemic Disease Prevention and Travelers Health Program when operating in remote areas with severe endemic diseases such as malaria and yellow fever.

**c) Occupational Hygiene:** The Contractor must have an Occupational Hygiene Program with criteria for the identification and control of chemical, physical and biological exposures above the occupational exposure limits determined by local law.

**d) Ergonomics:** The Contractor must have a program that includes criteria for management of ergonomic risks to which its employees are exposed.

**e) Fatigue:** If fatigue is identified as a risk factor mapped in risk analyses of the Contractor's activities, there must be a formal program that includes criteria for fatigue prevention.

For contracts that include services involving light vehicles and/or heavy equipment, the Contractor must have an active and implemented Fatigue Prevention Program to start providing services to Vale.

**Housekeeping**

The Contractor must implement, maintain, and verify the efficiency of the Tidiness and Cleanliness Program which is important to increase productivity, optimize resources, avoid accidents, and increase employees’ satisfaction with the working environment.

**Environmental Controls**
The needs and specifications of the areas related to the contract, such as: water consumption, treatment or disposal of effluents, disposal of waste, atmospheric release and others, are defined in the Technical Specification/Technical Request.

**a) Biodiversity:** It is not permitted to remove any type of vegetation without prior authorization of Vale and the relevant environmental bodies. Documents that specify the origin of natural inputs (such as sand, gravel, and wood from forests) must be submitted to Vale.

**b) Water Resources:** The Contractor must implement controls and/or physical barriers to avoid possible impacts on soil and water resources during its activities, such as: supply, washing, cleaning, drainage, maintenance, and storage. In case of accident involving equipment that results in impacts on soil/water, the Contractor must remedy the damage caused and inform Vale immediately;

Effluents (treated and/or untreated) generated by the Contractor must not be sent to receiving bodies, rainwater drainage networks, and treatment stations without prior authorization of Vale.

**c) Atmospheric Release:** Activities involving release of particulate material, such as: earthmoving, bulk transport, handling or storage of powdery materials, must have adequate controls (e.g. enclosure, wetting, spraying water, use of binders, dust suppressors, or other dust removal system).

The Contractors that use diesel-powered vehicles for transportation of cargo or passengers must comply with local legislation as to monitoring of atmospheric release.

Painting activities must be carried out preferably in cabins equipped with suitable gas exhaust and treatment systems for control of organic vapors.

**d) Waste:** The Contractor must ensure segregation and adequate storage of waste so as not to mix the different types of waste generated, according to waste program of the local unit. Containers such as drums, plastic drums, and others must be kept closed and properly covered to avoid spills and/or leaks, retention of rainwater, and proliferation of vectors.

If the Contractor is responsible for transporting and/or disposing waste, the necessary environmental licenses/authorizations must be ensured, the specific conditions of handling and transportation of waste must be met, and the evidence must be available during the term of the contract.

The following is not allowed:
- Burning waste in external areas;
- Disposing any type of waste directly on soil or water bodies;
- Disposing waste in piles without Vale’s authorization.

**e) Greenhouse Gases:** The Contractor must prepare a Greenhouse Gas List, keeping records and submitting them to Vale when requested. The obligation to prepare the list must be defined and informed at the time of bidding.

**Social Impact Management**

The Contractor must identify, assess, and treat social-environmental impacts arising from its activities to prevent, mitigate, and compensate for the negative impacts and maximize positive impacts, meeting the legal
requirements and guidelines of Vale. The Contractor must comply with the social diversity and cultural aspects and ensure good relationships and good coexistence with communities.

The Contractor must establish the measures of prevention and control to avoid or minimize the potential risks and impacts to health and safety of communities that may arise from its activities, with special care to vulnerable groups.

The Contractor must respect the human rights of employees and communities and treat adverse impacts on human rights that its activities may cause or contribute to, including: the right to adequate conditions of work, forced or slave labor, child labor.

The following are examples (not an exhaustive list) of the possible risks and negative impacts that must be avoided and mitigated:

- Excess noise, vibration, and release of particulate material (e.g. excessive dust caused by the movement of vehicles of suppliers at work areas, and operations for public roads and communities);
- Traffic incident and incidents due to excess speeding involving employees/service providers in local communities and/or vulnerable groups;
- Exposure of community to hazardous substances;
- Impact and/or complicity with sexual exploitation of children and adolescents in local communities (e.g., accommodations close to communities or homes of Contractors in the communities);
- Use or complicity with child labor in the value chain;
- Change in violence rates in the area of direct and indirect influence;
- Retention of identification documents of employees by the Contractors;
- Inadequate conditions of facilities in the workplace.

Claims of Violation of Human Rights

In the event of claims of violation of human rights directly or indirectly involving the Contractor, it must carry out a process to treat the claims, ensuring appropriate remediation to those affected, as well as the reporting of impacts, remediation actions, and results to everyone involved, including Vale.

Chemicals

The Contractor must identify the risk scenarios resulting from the acquisition, transportation, handling, storage, transfer, use, and after use of chemicals. It is necessary to acquire and make available the MSDS and/or emergency sheet for the product, ensuring compliance with controls and care established, as well as provide their identification and proper storage.

It is not allowed to use chemicals indicated in blacklist/list of prohibitions. The use of chemicals indicated in restricted list/gray list must be justified and approved by Vale.

The lists of Chemicals with restricted and/or prohibited use at Vale are available on the Suppliers Page, on Vale's website.

Maintenance of Integrity of Facilities and Equipment

The facilities, machinery, equipment, and measurement and testing devices that are critical to Contractor's HSE must be identified and provided with a maintenance program to ensure their operation within the control parameters set and with due quality.

The execution of any maintenance (preventive, predictive, and corrective) in machinery, equipment, and vehicles owned by the Contractor within the premises of Vale is subject to contractual requirements and/or authorization of the Contract Manager.
**R9 – EMERGENCY PREPARADNESS AND RESPONSE**

Vale will inform on the Technical Specification/Technical Request the need for drafting the Emergency Response Plan - ERP of the Contractor or if the ERP of the Contractor will comprise the resources made available for emergency assistance and the specialized resources that the Contractor must provide, where applicable.

The Contractor, if applicable, must submit and implement the ERP according to local legal requirements and the emergency scenarios inherent to the scope of its activities and compatible with the local ERP of Vale, comprising at least:

- Scenarios of its activities and resources required to assist in emergencies;
- Flow of communication and actions to be taken in case of occurrence of HSE incident aiming at the mitigation and control of impacts on HSE;
- Schedule of training sessions and drills;
- List of Hospitals to which its employees are sent. The list of Hospitals mapped must be informed to Vale.

The Contractor must ensure appropriate medical and hospital assistance to the injured employee during emergencies.

**R10 PREVENTIVE ACTIONS, INCIDENT AND NONCONFORMITY MANAGEMENT**

**Incident Management**

The incidents must be analyzed, the contribution factor must be identified, and corrective actions must be defined to prevent recurrence. Evidence of incident management must be maintained for the duration of the contract and in accordance with applicable legal requirements.

The Contractor must guide its employees on the obligation to communicate to the immediate supervisor about any kind of HSE incident and immediately inform Vale about HSE incidents according to Vale’s procedure.

Monthly, the Contractor must report information on workforce and Man Hours Worked, as well as data on incidents by means of mechanism identified in Vale's HSE Incident Management Procedure.

The Incident Management Procedure is available on the Suppliers page, on Vale’s website.

**Nonconformity Management, Preventive Actions, and Corrective Actions**

The Contractor must ensure that the Nonconformities affecting the HSE processes are identified, registered, and solved effectively, preventing their recurrence.

The Contractor must inform Vale about all Nonconformities, Corrective Actions, and Preventive Actions according to Vale’s model and analyze the causes of nonconformities, plan and execute the actions.

Whenever the Contractor fails to comply with a legal requirement or HSE requirement of Vale during the term of the contract, Vale will register the Nonconformity so that the Contractor provides the proper treatment.

**Registration of Unsafe Condition**

The Contractors, must identify, register, communicate, neutralize and/or eliminate unsafe work conditions in order to prevent incidents and development of occupational illnesses.

The Contractor may use its own methodology and forms for Registration of Unsafe Condition if it submits the proper systematization of this process and upon approval by the Contract Manager and Vale's HSE professionals.
R11 INSPECTIONS AND AUDITS
Vale will make periodic HSE inspections and audits on the premises and activities of the Contractors to verify compliance with applicable HSE requirements and standards. The Contractor must provide the information and documentation necessary for the development of these inspections and audits;

HSE Inspections: The inspections must focus on identification of deviations and real and/or potential losses that can affect HSE. Inspections must use legislation as a minimum reference and encourage the application of best practices of HSE. The Contractor must have an HSE inspection program comprising of at least the planning, registration, processing of results, and critical analysis of the program, considering the scope of the Contract, in addition to the main risks and aspects of the area where it operates. The Contractor may use its own methodology and forms of inspection if it submits the proper systematization of this process and upon approval by the Contract Manager and Vale’s HSE professionals.

IMS Audit: The Contractors will participate in the auditing process of Vale’s IMS according to the schedule of the areas, in addition to Certification/Maintenance audits performed by Certifying Bodies in certified areas under ISO14001 and/or OHSAS18001. All Nonconformities, Opportunities for Improvement, and Strengths identified in the Audit processes will be informed to the Contractors, when applicable. The Nonconformities informed to the Contractor must be properly managed.

R12 MONITORING, PERFORMANCE INDICATORS AND CONTINUAL IMPROVEMENT
The Contractor must define a method of monitoring for the HSE indicators relating to the scope of the contract, allowing to track information at any time and comprising criteria for characterization of noncompliance with goals, as well as actions for treatment of deviations. The HSE indicators listed below must be implemented, monitored, and reported to Vale monthly. Additional indicators may be included depending on the area where the contract will be executed.

Table 4: HSE Indicators

<table>
<thead>
<tr>
<th>Type</th>
<th>Name of Indicator</th>
<th>Formula of calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactive</td>
<td>Treatment of Unsafe Condition</td>
<td>(No. of unsafe conditions treated/No. of unsafe conditions recorded) * 100</td>
</tr>
<tr>
<td></td>
<td>Registration of Best Practices</td>
<td>Number of Best Practices implemented</td>
</tr>
<tr>
<td></td>
<td>HSE Inspections</td>
<td>(No. of HSE Inspections performed/No. of HSE Inspections planned) * 100</td>
</tr>
<tr>
<td></td>
<td>Behavioral Dialog</td>
<td>(No. of Behavioral Dialog inspections performed/No. of Behavioral Dialogs planned) * 100</td>
</tr>
<tr>
<td></td>
<td>Frequency Rate of Occupational Fatalities</td>
<td>{([Fatal Occupational Injuries] + [Fatal Occupational Diseases])/MH worked} * 1,000,000</td>
</tr>
<tr>
<td></td>
<td>Frequency Rate of Recordable Occupational Injuries (TRIFR)</td>
<td>{([Injuries resulting in Casualty] + [Injuries with Lost Time] + [Injuries with Restriction] + [Injuries with Medical Treatment]) / MH worked} * 1,000,000</td>
</tr>
<tr>
<td></td>
<td>First Aid</td>
<td>$\sum$ [Incidents with first aid]</td>
</tr>
<tr>
<td></td>
<td>Rate of Severity of Occupational</td>
<td>([Days lost due to injury] + [Days restricted due to injury])/MH</td>
</tr>
</tbody>
</table>
### Reactive

<table>
<thead>
<tr>
<th></th>
<th>Injuries worked) * 1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incident with Severe, Critical, or Catastrophic Real Severity for the Environment</td>
<td>$\sum \text{[Incidents with severe, critical, or catastrophic real severity for the Environment]}$</td>
</tr>
<tr>
<td>Frequency Rate of Occupational Injuries with Lost Time</td>
<td>$((\text{Occupational Injuries with Lost Time/MH worked}) * 1,000,000)$</td>
</tr>
<tr>
<td>Frequency Rate of Incidents with Critical or Catastrophic Potential Severity for Health and Safety</td>
<td>$((\text{Incidents with critical or catastrophic potential severity in H&amp;S/MH worked}) * 1,000,000)$</td>
</tr>
<tr>
<td>Frequency Index of Commuting Casualties</td>
<td>$(\text{Commuting Casualty/Workforce}) * 1,000$</td>
</tr>
</tbody>
</table>

#### 3.4.2 Performance Assessment and HSE Acknowledgment

**Performance Assessment:**
Based on the classification of the contract with regards to HSE risks that are identified in the Technical Specification/Technical Request, the eligibility of the HSE Performance Assessment is defined. Contracts with effectiveness greater than 6 months are eligible, as follows:
- Low risk - Optional, to be defined by the Contract Manager;
- Average Risk - Required 2 times a year;
- High/Very High Risk - Required 2 times a year, at least.

The Program classifies the Contractors in a ranking according to the results of the assessments carried out in the field with the employees.

The assessment is carried out by means of interviews and local inspection, performed by the Contract Manager with the support of the HSE area of Vale for the location. The interviews are held with the Leadership and HSE team of the Contractor and in the field with the employees.

For the assessment of HSE performance, the HSE Performance Assessment form attached to this document is used.

The goal for the result of the HSE performance assessment of contracts must be ≥ 80%.

The action plans to eliminate the deviations identified are the responsibility of the Contractor and must be accompanied by the Contract Manager, serving as the basis for future assessments.

The criteria for assessment of performance of contracts as well as the actions are defined in Table 5:

<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>Range</th>
<th>Actions of the local HSE Team and Contract Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-existent Performance</td>
<td>0% - 19%</td>
<td>Establish an action plan and assess contract termination</td>
</tr>
<tr>
<td>Insufficient Performance</td>
<td>20% - 39%</td>
<td>Establish an Action plan</td>
</tr>
<tr>
<td>Weak Performance</td>
<td>40% - 59%</td>
<td>Establish an Action plan</td>
</tr>
<tr>
<td>Moderate Performance</td>
<td>60% - 79%</td>
<td>Establish an Action plan</td>
</tr>
<tr>
<td>Strong Performance</td>
<td>80% - 100%</td>
<td>Establish an Action plan, eligible for Acknowledgment</td>
</tr>
</tbody>
</table>

During the contracting process, the result of HSE performance of participating companies in previous contracts is considered, and the contracting of High Performance Suppliers must be prioritized.

The possible withdrawal from Vale Suppliers registration system of companies that achieved a HSE performance of < 40% during the term of their previous contracts will be assessed.

**HSE Acknowledgment:**
The acknowledgment of Contractors is performed by the Local HSE area with the consent of the Contract Manager aiming at strengthening the involvement and commitment of the company in HSE-related issues.

Contractors with “Strong Performance” are eligible for HSE acknowledgment according to the criterion of the location they operate. The implementation of Best Practices with proven results in HSE is adopted as tiebreaker.

Contractors with fatality and/or environmental accident of critical/catastrophic real severity will not be eligible to participate in the Acknowledgment Program during the term of the Contract.

Interviews, meetings, and workshops can be held with the leaders of these companies to encourage, promote, and support HSE issues.

3.5 DEMOBILIZATION
At the end of the contract or in case of dismissal of an employee, the Contractor must require demobilization by means of local method specified by Vale.

The return of Vale’s badge is mandatory if the employee is not mobilized in another contract. It must be given to the Contract Manager.

Demobilization of equipment, construction sites, and other provisional facilities of the Contractor in the areas of Vale is the sole responsibility of the Contractor, which must return the service fronts free of any type of waste and/or material in order to avoid any kind of environmental liabilities.

After the end of the contract, an assessment is held taking into consideration the records of the results of inspections, verifications, audits, meetings, and critical analyses carried out during the contract, in addition to an inspection of demobilization. If it is evidenced that all actions were remedied, a statement of No HSE Entries is issued. The payment of the final measurement is subject to the statement of No HSE Entries, when applicable.

4 GLOSSARY
- **Corrective Action**: action to eliminate the cause of nonconformity identified; performed to prevent recurrence.
- **Preventive Action**: action to eliminate the cause of a potential nonconformity; performed to prevent the occurrence; results from assessment of risks where potential nonconformities are identified.
- **Critical Activity**: Activity with high risk of casualties.
- **Controlled Activities**: Activities or tasks in which Vale is responsible for establishing and applying its health and safety standards. Under this condition, activities performed outside the site can also be considered as controlled activities, as long as they are being performed in Vale’s interest.
- **Monitored Activities**: Activities or tasks in which Vale cannot officially establish and apply its health and safety standards, but has power to influence.
- **Uncontrolled Activities**: Activities and tasks in which Vale cannot establish and apply its health and safety standards and also has no power to influence.
- **HSE Best Practices**: Practices established, acknowledged, and with proven results in reducing risk of activities and/or minimizing environmental impacts.
- **HSE Briefing**: Basic guidelines with the general HSE rules of the unit, including the risks of the area where the activity will be held, as well as basic information on access and emergency procedure of the Department/Area.
• **Behavioral Dialog:** A conversation established between the observer and the observed, based on the joint reflection and exchange of ideas, aiming at assessing the behavioral aspects of people, compliance with rules and procedures established, safety in the practice of works, and conditions of workplaces.

• **Right of Refusal:** Instrument that assures the worker the suspension of a work activity involving serious and imminent risk to its health and safety or to the health and safety of other individuals.

• **Occupational Examination:** Occupational examinations are exams aiming at the individual assessment of the impacts of the health-work relation on health and definition of aptitude for certain tasks. They include pre-employment examination, periodic examination, examination of return to work, examination for change of position, and dismissal examination.

• **Proactive Indicators:** Indicators used to assess the company activities/controls that prevent losses. This type of metric is predictive, that is, it precedes or indicates future events and allows for preventive actions.

• **Reactive Indicators:** Outcome indicators used to measure performance and allow the leader to monitor them. This type of metric is retrospective, that is, measures data relating to situations/failures that have already occurred and require corrective action.

• **Statement of No HSE Entries:** Official statement that no HSE pending issue has been found.

• **Nonconformity:** Non-compliance with a requirement.

• **Vale’s IMS:** Set of 12 requirements comprising from Policy, Objectives, and Goals to Monitoring, Performance Indicators, and Continuous Improvement.

• **HSE:** Health, Safety, and Environment.

• **Basic HSE Training:** Minimum HSE guidelines so that employees of Contractors and Subcontractors can provide services at Vale’s areas. This training does not replace local legal obligations comprised in the “Introduction to HS” training. It may be known in some areas as Adaptation or Integration.

• **Introduction to HS training:** Training legally required to all Third Parties performing activities at Vale that fall within legal requirements.

• **Uniform:** Clothing with specific characteristics, used by members of an institution or a service.

5 **FINAL PROVISIONS**

When performing activities for Vale, the Contractors are responsible for the management, administration, and coordination of services, personnel, and equipment used to execute the object of the hiring and are liable for the safety and physical integrity of their employees and the Environment.

Compliance with HSE obligations provided herein will not exempt the Contractors from adopting, following, and complying with other measures, legal or not, that may prevent risks and ensure the health, safety, and physical integrity of their employees and the Environment.

The examples in these guidelines do not comprise an exhaustive list. Other techniques, methodologies, controls, and processes must be tested and deployed.

Vale can stop or ban the services, in whole or in part, upon “severe and imminent” risk, conditions that endanger the life of individuals, or failure to comply with the legislation and/or HSE standards adopted by Vale, as well as those described in this document.

If the information provided in the HSE documents made available to the Contractors is not sufficient to clarify doubts, the Contract Manager must be consulted for clarification.

6 **ANNEX:**

Annex to the Guidelines – Assessment of Contractors’ HSE Performance.