



Loading ship at Ponta da Madeira Maritime Port, São Luís, MA, Brazil.

# Vale's Performance in 3Q20

Rio de Janeiro, October 29<sup>th</sup>, 2020





**Opening remarks**

# We are delivering on the Integral Reparation Plan

**US\$ 2.6 billion** in reparation actions<sup>1</sup>

**+8,200** people indemnified<sup>2</sup>

**US\$ 470 million** in environmental reparation  
(e.g. Ground Zero)

## Brumadinho's Master Plan

Built on extensive listening to communities,  
submitted to the authorities' approval<sup>3</sup>

**We are having conversations with the State  
of Minas Gerais and other stakeholders to  
get to a framework agreement for  
indemnification and compensation<sup>4</sup>**



<sup>1</sup>Excluding expenditure with de-characterization, including incurred expenses. <sup>2</sup> Approximate figure, referring to people related to signed agreements (paid and payable, civil and labor), updated on October 28, 2020. <sup>3</sup>Submitted to the municipality of Brumadinho. <sup>4</sup> For collective damages indemnification and compensation for the society and the environment

# In tailings management, quickly moving towards full adherence to ICMM standards

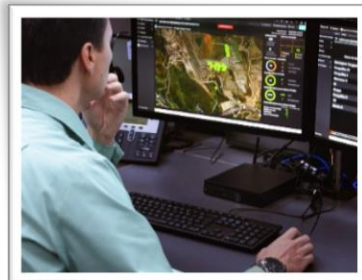
**Our ambition** world-class standards and processes

**ICMM**  
International Council  
on Mining & Metals



- Safety and Operational Excellence Office independent from operations
- Strengthening of our 3-line model of defense

**Governance**



- 2 Geotechnical Monitoring Centers
- Engineer of Record

**Continuous monitoring**



- Hazard Identification and Risk Analysis (HIRA) is ongoing

**Risk management**

- New ICMM standard – minor gaps. Full implementation expected for 2021
- New TMS

**Tailings Management System (TMS)**



# We are closing our ESG gaps

**52 gaps mapped** with action plans

**31 gaps closed** since 2019

In 2020, 5 gaps already solved

- ✓ More disclosure on management compensation
- ✓ Audit committee
- ✓ Tax Transparency Report
- ✓ ***Creation of Nomination Committee***
- ✓ Consolidated disclosure on Environmental Violations (***new***)

For further information,  
visit [www.vale.com/esg](http://www.vale.com/esg)



# We are performing with record production in the Northern System...



**56.9 Mt**

Northern System  
All-time production record



**24.4 Mt**

S11D  
All-time production record



**US\$ 5.856 billion**

Record EBITDA in  
Ferrous Minerals since 4Q13



**US\$ 6.224 billion**

Record EBITDA  
since 1Q14



Serra Leste, Northern System



Operational Control Center, Northern System

# ... while increasing production capacity and strengthening our supply chain

## Serra Sul 120 Mtpy Project

Adding 20 Mtpy to S11D mine-plant capacity

- ✓ Buffer of productive capacity
- ✓ US\$ 1.5 billion investment

## Project West III

Adding +20 Mtpy to the Shulanguh Port capacity<sup>1</sup>

- ✓ Through JV
- ✓ US\$ 100-150 million investment<sup>2</sup>



<sup>1</sup> Currently at 20 Mtpy. <sup>2</sup>Considering Vale's 50% stake of the JV and a third-party loan of up to 65%, but not less than 50% of the total investment.

## We are de-risking Vale



Keeping a fast pace and quality at Brumadinho's reparation



Becoming one of the safest and most reliable mining companies



Resuming production under safe conditions



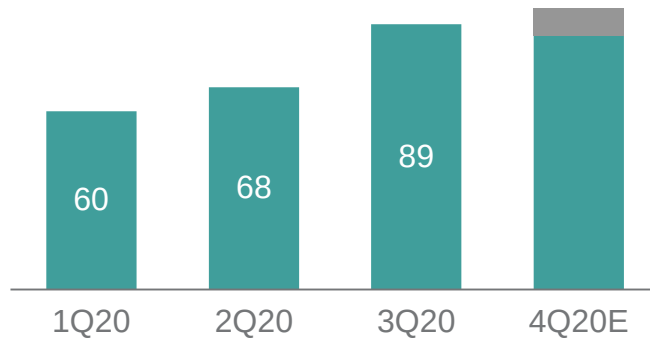
Focusing on discipline in capital allocation

# 2

**Iron Ore Business**

# Operations are progressing on stabilization and resumption roadmap from Analyst & Investor Tour is on track

## 2020 production (Mt)



### 3Q20

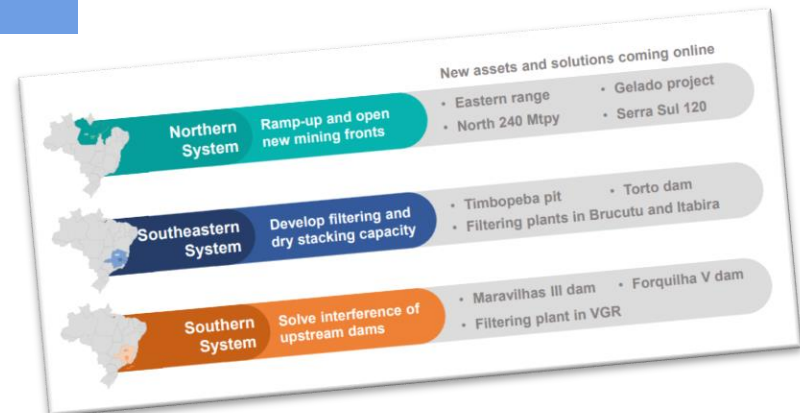
- Record in Northern System and S11D
- Solid production in Southern and Southeastern Systems

### 4Q20

- Expect to sustain robust production rates
- Risks related to licensing delays (e.g. Serra Leste) and impacts from the start of the rainy season

## Path to 400 Mtpy

- New assets and solutions coming online in the next quarters (e.g. tailings filtration plants, Northern System expansions)
- Increase of operational buffers to sustain production level
- Stabilization of production adds quality to Vale's portfolio



# Vale recovered its operational flexibility, reducing major sales variation looking forward

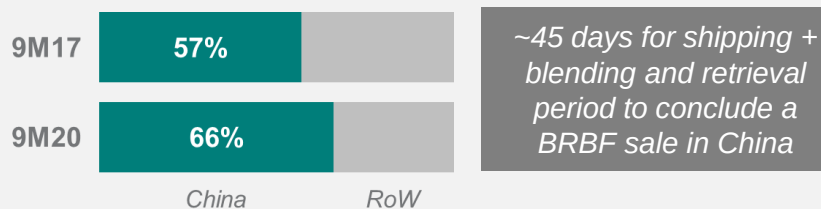
## 1 BRBF is Vale's main product



Margin over volume strategy and portfolio optimization

## 2 More exposure to China in 2020

### Vale's sales by destination



Increase of Vale's average lead time

## 3 Operational inventories needed

2019

↓ 14 Mt of operational inventories drew down

9M20

↑ 17 Mt of operational inventories built up, including those in transit

### Next quarters

- Operational inventories stable to current production level
- More sales flexibility to capture market opportunities

Operational inventories are production buffers



VALE