



VALE'S GOVERNANCE WEBINAR

March 28th, 2021

Mr. Luciano Siani: Okay, welcome everyone, dear shareholders, analysts, investors. I'm hosting you in the quality of Chief Investor Relations Officer, but today the floor will be with our Board members of Vale, who will talk about the upcoming proxy vote for the election of the new Board of Directors of Vale and other matters. They will talk about strategy, they will talk about compensation, about governance, about ESG.

So, let me introduce you to **Mrs. Sandra Guerra**. She has been Board member, independent board member of Vale since 2017, has very extensive experience in governance matters, actually she was Chairman of the Brazilian Corporate Governance Institute for many, many years and also with us is **Mr. José Luciano Penido**, who is one of the nominees for Chairman of the Board. He has decades of experience as CEO and chairman of major Brazilian companies. And also, **Mr. Alexandre Silva** is with us. He's an independent member of the Nomination Committee, currently chairman of Brazilian jet manufacturer Embraer. They will be with you making a short presentation and then we'll move into Q&A. So, with that said, I handover to Mrs. Sandra Guerra. Please, you may now begin.

Mrs. Sandra Guerra: Thank you, Siani, good morning, good afternoon, good evening for the ones joining us from Asia. As Luciano mentioned, I was elected back in 2017 and, together with Isabella Saboya, we were the first independent directors to be part of Vale's Board. It's really a great pleasure to be here with you today, sharing the improvements we noticed since 2017.

Let's move, please, to the first slide. And this slide was already shared with you during Vale Day, but I would like to share the Board's view and participation in the construction of this narrative. Vale's mission is to do something extraordinary and transforming the future, of course by taking care of the present, not just for Vale, but for our neighbors in the communities we operate and impact and, of course, not forgetting the value chain of Vale.



The Board of Directors of Vale was strongly involved in the process, with intense engagement with our investors and other important stakeholders. It was really a bold process, involving several meetings with the Board plus around 40 leaders to examine our history and essence to create the Vale's purpose, which is “We exist to improve life and transform the future. Together” Throughout the presentation today we will explore the importance of this togetherness.

This purpose is the very center of everything else happening in this company and it's pretty much related to culture and is the birthplace of our strategy. With that I would like to ask Penido to present the next slides on culture transformation and strategy. Penido. I believe your mike is off.

Mr. José Luciano Penido: Okay, thank you for reminding me. Thanks, and hello everyone. First of all, I'd like to briefly introduce myself. I am a mine engineer with 33 years of experience in mining and in the steel industries and 15 years in the planted forest, pulp and paper industry. I have acted as CEO along 17 years for Samarco and also for VCP, Votorantim Pulp and Paper.

After the merger of VCP with Aracruz, I moved to be the Chairman of Fibria for 10 years. Along my professional life, in addition to operational and financial results, I have always put emphasis on people, on community relationship and also sustainability. Next slide, please.

Of course, Brumadinho clearly identified a need for a robust cultural transformation. This process seeks to promote culture as a facilitator of the strategy, influencing and shaping systems and integrating initiatives, in addition to positioning leadership as a driver to change. An independent cultural diagnosis was carried out in 2019 and 2020 and put it out the need to build a culture of learning together with humility, discipline, a sense of collectivity and mainly with the presence of chronic unease regarding safety. Next slide, please.

And we continue to act on a clear and actionable plan. At this moment, scalability of behaviors is underway, with a clear measurement of progress. Of course, the cultural transformation of Vale is of paramount importance. We must keep this emphasis for a number of years to consolidate the desired change to become



really the better Vale we want to be. In the coming future, Vale will undergo as well another radical transformation through Innovation and all the new technologies that have the power to redesign completely our business and our industry. Vale's ambitions for the next five years have been defined in alignment with our strategic goals: to be a large company recognized by society as a reference in safety, the best and most reliable operator, a talent-driven organization, leader in low-carbon mining and a reference in creating and sharing value. Next slide, please.

We need to advance and move forward with the de-risking, reshaping and re-rating path, and along the way we will create a much better company. We are on the right path. We are conducting a fair reparation of Brumadinho and continuing to evolve in the Mariana reparation as well. Our dams are in the process of being decharacterized, or, let's say, decommissioned for the safety of the territory and the communities. By the end of this year, Vale expects to be in line with the ICMM-recommended best practices.

Our ESG practices are also a top priority. We have set ambitious goals for the low-carbon emissions agenda. We want our leaders to continue putting action on their words and, as such, we have effectivity linked compensation with ESG practices, as we will show you later in his presentation. Finally, Vale has a strong desire to be recognized by society as generating value for shareholders and being a leader in social development. Next slide, please.

Along the last two years, the Board has discussed with the management our strategy to create and deliver results. Of course, the ESG agenda, that is crossed all business units, and the integral reparation of Brumadinho and Mariana are the top priorities for Vale now and along the next future. As a Chair of the Sustainability Committee, I have been following very closely all initiatives and prospects and projects and reporting regularly to the Board. We visit the sites and have direct meetings with the families of the victims of Brumadinho.

We believe that mining is essential for the development of the world and that is only serves society by generating prosperity for the whole, while responsibly



taking care of our planet. Business strategies are evolving to consolidate Vale among the leaders in supplying essential products for the society development. Vale is well positioned to offer iron ore solutions, opportunities in nickel, copper and iron. You see on this chart that Vale will become the leader in iron ore supplies, with an excess of 400 million tons a year by 2023. In nickel, we will remain as a top three player in excess of 200 thousand tons a year, participating in the energy transition mainly electrical vehicles and we are going to expand production in North America, and as well with the opportunities in Indonesia. In Copper, we have a very solid brownfield project opportunity to grow and the idea is to have, with the brownfield project, in five years, reaching an excess of 500 thousand tons and, in ten years more, rank among the five or six top suppliers in the world.

We should develop new iron ore solutions to our customers. We should implement new technologies for safer and more efficient operations, at the end, to expand our competitiveness and reliability. We want to be the preferred supplier of high-quality, low-carbon products. The Board of Directors is confident that Vale's economic and financial capacity and in the long-term sustainability of Vale, based on its already demonstrated competitiveness and resilience. Now I return to you Sandra, please.

Mrs. Sandra Guerra: Thank you so much, Penido. Our approach to governance "is about the journey, not a destination" and it's precisely designed to support the strategic path that you just described. So, this way Vale continues to evolve its governance and we do so benchmarking constantly against the best national and international practices, but it's not only that. We have been working on a deepening understanding of the Investor's perspective and what we heard helped us in adapting to a dispersed ownership company that we became.

This timeline that you see shows the track record of our governance and the commitment to governance and transparency. So, represents the trajectory in implementing meaningful governance change and let me reassure that this is not simply a check the box approach, but rather a thoughtful exercise that is leading us to the evolution by the Board and the Executive Management team towards



better governance. You know that this timeline starts back in 2017 with the voluntary decision to become a corporation and the objective then was to ensure the company's long-term sustainability, supporting this path with the highest governance standard.

So, let me explore here some of the highlights of this journey. In 2018, the first board assessment; in 19 Brumadinho boosted our ESG ambitions and, quoting Vale's CEO Eduardo Bartolomeo, "adversity worked as an engine for change". In this period, engagement was importantly intensified, followed by better reporting, such as the creation of the ESG portal that you guys are familiar with.

Later on, last year, 2020, was a strong year of deliveries. Our risk governance model evolved with the Audit Committee and the creation of the CCO, Chief Compliance Office function. We continued paving the way towards the corporation model decided back in 17 and the main initiative last year was the creation of the Nomination Committee. As a result, in 2021, the change of Vale's bylaws for the improvement of the Board of Directors, as Alexandre Silva will discuss with you later. Let's change to the next slide, please.

Since I've have been on this Board, we have become highly focused in engaging with shareholders and other stakeholders, as Penido just mentioned and we did that to get their perspectives. And we have demonstrated a high level of responsiveness to the concerns we have heard. In the past year alone, Vale has reached out to top 30 investors, at least once during one-on-one meetings, conferences, webinars, roadshows and the Board had also the opportunity to engage with these investors in some of these meetings, I've been involved, myself, in many of them.

Let me provide you with some examples of what we heard during our engagement process and, more importantly, how we factor what be heard into actions as a result. We heard that adoption of the malus clause should occur in conjunction with the clawback policy and we have adopted malus clause in 2019 and we have approved the clawback policy from 2021 on. We also heard that the Board of Directors should be elected member by member and we are going to



have our first election in April 30th, with the directors elected individually. Vale's bylaws also changed to foresee a majority of independent directors and this is a great evolution from previous practices, when I and Isabella joined the Board, where we were two Independent directors. Moving to the next slide, please.

You see in the screen and you know this structure, our governance model defined the principles and roles, allowing transparency and stability. We have been delivering policies and improvements and are currently in practice. And, of course, new mechanisms that we are using to improve our governance, (...) in our governance processes. Marked in green in this slide you can see changes in relation to previous years. Some of them we have already mentioned, but I would like to highlight the recently created Innovation Committee, which is precisely linked to, not only the remote mining concept, but the ESG embedded strategy as well as going along with this transition to low-carbon mining, which is very dear to our hearts. We have also created new positions on the Executive Board and have adjusted some of our executive officers to statutory positions for greater accountability. We will see the Executive in more details on the compensation portion of this presentation. Next slide, please.

This slide details the working of the Board and shows the strong commitment and oversight by the Board, its committees and also the Fiscal Council. In 2019, we had Brumadinho crisis and, back then, we met 46 times. In 2020, we still have the spillover effect and we had important discussions, such as the Global Agreement for Brumadinho and the Board supervision of management activities related to COVID pandemic. As we have navigated throughout the major crisis and once the main pillars of governance are built, are in place, the Board can now work to be more efficient, while keeping the highest level of oversight, so it's quite important to search for efficiency, but maintaining the highest level of oversight. Next slide, please.

And let me show here how the board was involved in the company's deliveries and how we use the meeting described in the previous slide. So, you see that the topics that dominated the Board's discussions in 2020, but I would like to highlight some of them and for me very important is the strong oversight of Vale's strategy.



This was done throughout a series of six half or full days, sometimes one and a half day meetings involving the Board and not only the C-suite, but also another layer of main executives. It's an intense work in an environment of free debate, an exchange of ideas where challenges and opportunities are discussed in depth. The intensity level of Board involvement with strategy designing is essential to the next step of the strategy implementation, the definition of goals and the Board's ability to hold management accountable. Let's move to the next slide, please.

We cover here, and we heard in the interactions with investors that they would like to see more clearly how the risk is governed at Vale. So here you see an integrated risk management governance flow, based on the concept of lines of defense. The Board of Directors has Advisory Committees that are responsible for overseeing the scope and effectiveness of business with management, as you see in the left side of the presentation, and this is by the Executive Board. The board led changes to further strengthen Vale's safety and risk managing, working with the board committees at the right side of your slide. So, the monitoring of Vale's integrated global risk map is done in a very periodic manner, with discussion of the company's high and very high priorities risk as well as the necessary controls to mitigate. And with that, now I would like to turn it over to Alexandre Silva, to cover the Nomination Committee work. Alexandre.

Mr. Alexandre Silva: Thank you, Sandra. Good morning, good afternoon, it's a pleasure to be here with you representing the Nomination Committee. As all of you know, the Nomination Committee was formed in July of last year with three members, Pedro Parente, our coordinator, José Maurício Coelho, Vale's Chair and myself. Both Pedro and I are external and independent. In the past eight months, we put a lot of effort in our work, as you can see in our report; it's almost a 90-page report. We heard important consulting firms to support us, such as BMA, as legal advisor; BCG, to help us on the skills matrix; Korn Ferry for the board assessment; and Spencer Stuart and Russell Reynolds as headhunters. Thank you for changing the page.



Since day one, we started working on our competencies or skills matrix. We benchmarked with local and international companies, including peers, to understand their governance processes and board skills diversity. We then prepared an initial skills matrix. After that, we performed a substantial number of interviews with Vale's directors, officers and executives. We talked also to the main international and Brazilian shareholders. We talked to the proxy advisory agencies. With important suggestions from all those interviews, we fine-tuned the skills matrix. In the process, we identified a list of enhancements to the governance and proposed to the Board. The improvements were eventually approved at the EGM of March 12th and are now part of the bylaws.

At this point, we had a clear understanding of the competencies we should go after to close the gaps we had identified. We started the search which two consultants and, in the process, they met around 70 potential candidates. After careful analysis of each one and interviews with a much smaller group, we agreed on a final list of 12 names. The list we are proposing includes five new names or around 40% renewal, which is in the upper limit for not diluting the important knowledge the present Board has acquired. We proposed an independent Chair, a total of eight independent candidates, using even more stringent guidelines than the Novo Mercado. We are also proposing four non-Brazilians, an increase in female from 2 to 3. Next page, please.

Improvements: I Just mentioned some of the improvements we proposed to the bylaws, creation of the Nomination Committee in a permanent basis; independence criteria more stringent than the Novo Mercado guidelines; Chair and Vice-Chair elected by the EGM; minimum of seven independent directors, regardless of number of board members; provisions for a lead independent director; and, as I said before, the changes were approved at the EGM on March 12th. Next page, please.

Skills matrix, business skills matrix, it's in our report, it's self-explanatory. It's composed of three blocks: administrative skills, functional skills and sectorial skills. In the definition of business competencies, we also considered Vale's twelve main corporate risks. One important point introduces exposure to Asia,



especially China. Another one is relevant experiencing risks, in risk and Safety management. Sustainability and ESG were another important point, as well as digital transformation. Next page, please.

That's the star page. I like this page, you know, very good coverage of all competencies, very strong in mining, ESG, finance, knowledge of Asia, well-represented in safety and risk management, talents and cultural transformation. We propose, as an independent Chair, Luciano Penido. Penido has more than fifteen years of experience as CEO of large companies. Chair of a large and complex company for more than ten years. Penido has an engineering degree in mining and extensive experience in sustainability, risk management and operations.

And, to finalize, I would like to call your attention to the very low tenure average for the Board, considering the changes we are proposing and also the changes made in the last couple of years. Thank you. Now I would like to pass back to Sandra.

Mrs. Sandra Guerra: Thanks, Alexandre. It was indeed a thorough process and as I heard yesterday from an international investor, and I quote him, "it was a structured and robust process, following the textbook for good governance". And now let's move to a very important part of the work of the board, which is to ensure that the remuneration fully connects with the long-term perspectives, the purpose and the company strategy explored earlier by Penido. What guides us in the Board and the committee is to increase the transparency regarding Executive Compensation, as well as alignment with market practices and shareholders' expectations. The annual compensation proposal is prepared based on the very market principles, also considering the responsibilities of each member, their skill and their professional reputation and how we want to ensure that we have a pipeline of talent to face the challenges and opportunities ahead of us.

The Executive Board that you see in the screen was adjusted for greater accountability. The change in the organizational structure aims also at a greater alignment with the company's strategy, leveling the commitment for the whole,



which is part of the cultural transformation, as you have seen. I highlight the reorganization of the former position of the Executive Officer of Sustainability, now reporting to the CEO, promoting an even greater focus now, after the improvements, the current path related to environment related actions has to be given to the “S” element of ESG, social, which led to the definition of the new executive recently joining the team.

Also, I would like to highlight the creation of a new position of Executive Officer of Strategy and Transformation, including the hiring, in the near future, of a new executive. Migration of two positions that were subordinate to the Brazilian labor regime, called in Brazil CLT, to the statutory regime, and this was designed to ensure more accountability. These changes that you see led to an increase in Vale’s total compensation, but the average salary has been reduced.

Let’s analyze the evolution of compensation since 2019 in this next slide. As you can see, in the last few years, we evolved to have a greater proportion of variable long-term compensation of Vale’s executives, from 46 to 68% in the case of the CEO. Another important element, the compensation mix, closer to the interests of shareholders and the profile of the international executive market that we constantly monitor and benchmark and, of course, provides also a greater focus on relevance in the components of longer-term variable compensation. As you can see, this compensation has increased from 75 to 88% just since 2019.

Also, I would like to highlight the evolution in the relevance of the goals associated with health, safety, sustainability and risk management from 2019 to date. In 2021, 55% of the components of the collective goals of management’s team is comprised of non-financial metrics and this is something that we also heard from our investors, the importance of this element.

Changing to the next slide, in addition to the changes in the structure that occurred in 2021, Vale has advanced in changes to its executive compensation policy and I highlight, in particularly, the malus clause, adopted in 19, as I mentioned and the clawback clauses, because these allow the Board, in certain circumstances, to decide on the return of variable compensation. The ESG



targets are a fundamental part in the long-term remuneration and this is a very important element of our compensation model and scheme and it's pretty much related to the strategy and the ambition that Penido covered.

We can move then to the next slide, where you can see that, for 21, Vale is paying a close, important attention to targets related to critical objectives, so we can reach the defined aspirations, in order to reinforce a more integrated performance among the areas of Vale, the togetherness that I mentioned before. In this sense, 2021 bonus panel included the collective indicators related to cultural transformation, risk management and the Vale Management Model called, here in Brazil, VPS.

Areas such as Health, Safety, Geotechnical, Reparation and Compliance have no goals whatsoever linked to financial results and production of the company in its variable compensation. And in the case of the Safety and Operation Excellence Officer, 80% of the compensation is tied to non-financial indicators.

Now, we move to the last portion of our presentation and, with all that said and before we move to the Q&A session, I would like to wrap up important messages that we convey to you in this morning, afternoon and evening.

The Board, with the support of the Nomination Committee, led a thorough process to define nominees to be proposed to our shareholders. The proposition presents a balanced level of renewal of the Board, considering both retention of knowledge on Vale and the challenges ahead of us and a necessary refreshment, with the new incoming members bringing a varied set of skills, closely linked to our strategy. And this is paramount.

The proposition of an independent Chairman, valuing a long professional history, extensive knowledge of Vale, long experience in mining from the C-suite seat and notable experience in risk management, sustainability and institution relations is a key point of the proposition that will be appreciated by our shareholders. This proposition is aligned with best International governance practices, with individual elections and the independence level proposed. Compensation practices are aligned with market practices, as I mentioned, and shareholders' interests. And



we keep on searching for shareholders' perspectives as we go along. And last, but not least, the bold culture transformation is progressing with a clear and actionable plan. So, I now move to Luciano so we can proceed to the Q&A session of this morning.

Q&A SESSION

Mr. Luciano Siani: Okay, thank you Sandra. Just as a reminder, we have this Q&A button at the bottom of the Zoom page. We haven't yet received any live question, so I'll start with two or three questions that we received beforehand and then hopefully... yes, okay, we already started to get some questions on Q&A, great.

So, first question here for Mr. Penido, that we received yesterday. Mr. Penido, as a nominee Board Chair, what priorities you see for Vale in the next 3, 5 and 10 years?

Mr. José Luciano Penido: Thanks, Luciano. Of course, in the short and mid-term, the reparation of Brumadinho and Mariana, in this case, through the Renova Foundation, is the top priority for Vale. In the same time, we need to continue de-risking Vale. You all saw yesterday Vale with a market cap of about 86 billion, with a discount of something like 40% in Rio and then something like 80% to BHP. This is unacceptable, it's too much.

Vale's Board is being also very active in dam safety and risk management. Our dams will follow being decharacterized or decommissioned, the Board has set a policy of tailings dam and management in adherence to the Global Industry Standards on Tailings Management as a reference and we will follow very closely the implementation of our actions to be in compliance with the ICMM principles by the end of this year.



On the short-term, as well, the Board will give attention to address solutions for those businesses that are not performing as expected and some of them draining cash, without the real perspective of turnaround. For the long-term, I would say that I'd like to mention that we have set our commitments for 2030 on the climate agenda and also for socioeconomic targets. This is not for show, this is because we believe that Vale's sustainability is tied with the company's high-quality portfolio and with its growth options, so essential for our growth in the future.

We also will be focusing on the core business, because they are the best chance for us to create value and we will direct the attention of the executives on this business. The iron ore operations will resume to produce 400 million tons plus by 2023 and the nickel and copper have very aggressive targets that will be delivered in the coming future.

We will continue to be competitive, to create and share value to our stakeholders. The cultural transformation as well, Luciano, is a priority, because it is fundamental for the change of the company and this will take some time, cultural change is not something for one year, takes longer and at the end I think that I'd like to mention that I'm confident that the company combines all the requisites to lead the way towards a carbon-neutral mining, and in the same time, preserving Vale's discipline on capital allocation and boosting return throughout the process.

Mr. Luciano Siani: Okay. Penido, thank you. Moving on now to one of the questions received live, I think this is for Sandra. Sandra, in the spectrum of sustainability impacting compensation, what are you taking into consideration? How the long-term goals on reducing carbon emissions are reflected in the compensation?

Mrs. Sandra Guerra: Well, thank you, Luciano, and thanks for this question. I think that in the slide that we covered the evolution of non-financial metrics, we highlighted the very elements of sustainability that we are considering. So, and there are, you know, the goals that we have on this are bold, not only because we are aiming to reduce emissions of scope 1 and scope 2, but we are the first major mining company having a quantitative and very clear goal for the scope 3.



So this is represented in our remuneration and sustainability has, in 2021, a 10% on the non-financial metrics that we have, so, we have metrics for emission, we have metrics for forest, but let's consider that this does not happen only with this goal, because it depends on, for instance, people and culture transformation will be key to allow us to achieve the targets. The same thing is related to risk management. In the Vale Management System, that is key to provide a way to do things in a proper way that leads to this result, so I think that all these elements are connected to the sustainability goals that we have, but we have reserved 10% only dedicated to this sort of goals that we are pursuing and that we have announced as our goals in regards, not only, but mainly related to the climate risk that the world is facing, and we work fiercely to reduce the emissions well below two degrees increase.

Mr. Luciano Siani: Okay, Sandra, thanks. Before moving on to address more live questions, there are two that came beforehand, which are kind of controversial, so maybe we could address those also, in the interest of everyone, the first one to Alex. We know that other shareholders have put forward alternative candidates for the board, right? So, what was the rationale of these shareholders and how or whether the Nomination Committee considered, or considers the reasoning of those shareholders in these additional nominations?

Mr. Alexandre Silva: Well, you know, it's important to remind that, you know, the committee work was developed over a period of eight months, which included interviews with shareholders and was supported through two renowned headhunting firms. It was a very thorough process. You know, initially, the headhunting firms presented us 70 potential candidates. We analyzed each one of them, we interviewed a much smaller group, of course, and we checked their competencies, their skills, against the skills matrix. At the end of the process, which is a long process, we appointed five new members to the Board, which is, you know, almost a 40% renewal and, you know, we value the engagement of the shareholders, their active interest in the company. During our work, we have listened to an important number, a substantial number of Vale's shareholders, as shown in our report. The names that came in the last couple of weeks were not



considered by the Committee, our report was already finished and presented to the Board.

Mr. Luciano Siani: Okay, and now for Mr. Penido. Mr. Penido, you were the CEO of Samarco, which had a dam collapse in 2015. Do you want to make any comments on that?

Mr. José Luciano Penido: Yes, sure. I was the CEO of Samarco since 1992 and I left the company in 2003, December, 13 years before the tragic collapse of the Fundão dam in Mariana. This Fundão dam started operations in December 2008, so five years after my leave of Samarco. At that time, I was not either member of the Board of Directors of Vale. But when I joined at Vale's Board of Directors in May 2019, and as Chair of the Sustainability Committee, one of my responsibilities, Luciano, is to follow closely the Renova Foundation reparation program. It's all.

Mr. Luciano Siani: Okay, thank you, now taking a live question here. The company is a low-cost... for you, Penido, as well, right? The company is a low-cost producer, generates significant cash flows, returns cash to shareholders, is ramping up production, is improving ESG, reached a comprehensive agreement on Brumadinho, and yet the stock doesn't really outperform its peers and evaluation remains very low. What do you believe the Board can do, to in addition to what has already been done, to remediate the situation and have the stock rerated?

Mr. José Luciano Penido: Yes, this is the ultimate value for the Board is to generate value for shareholders and the society. I would say, Luciano, that it's a question of perception, because with the two tragic accidents we had, in Mariana and Brumadinho, we lost the trust of the society to have a safe operation here in Minas Gerais state.

On the other hand, the global perception on Vale's governance is that we have several gaps in governance and best practices for a transparent management of the company. This is why the Board has performed a thorough benchmarking on



our gaps and we are delivering in plans to close these gaps and these improvements recently approved on the bylaws of Vale is a good example.

I would say that Vale has to convince, naturally, the society in Brazil, mainly in Brazil, that the mining industry is valuable to operate in its territory and this has a power to transform the future, to generate employment, to pay taxes, to change life of people. And after the post mining time, we should discuss, dialogue and engage with the society to create the post mining environment, a safe environment, pleasant, with plenty of water, good quality of water and keeping the standard of living of the population.

So, I hope that focusing on business and focusing in the transformation of Vale as a low-carbon company, you all know that we made a commitment to be net-zero carbon by 2050 and we have several other projects in course, like one hundred percent renewable energy by 2025 in Brazil and 2030 in the world, so I would say that very shortly the investors in the world and the society in Brazil will return to trusting the company and that gap we saw yesterday of 40% and 80% against our peers, will narrow naturally. This is my perspective.

Mr. Luciano Siani: Penido, thank you. Another one live, this one here for Sandra. Do you anticipate any joint ventures in the future? And I think this probably relates to the concern over governance oversight related to the Samarco tragedy.

Mrs. Sandra Guerra: Right, thank you for the question, Luciano, and you know how dear is JVs topic close to my heart. Well, we showed the ambition we have. We have bold ambitions ahead of us. So, and we know that we're not doing all our ambitions, all our targets alone, so partnerships will be necessary along the way. Having said that, we are very concerned in regards to how we allocate capital, we're very disciplined in this regard. And, more importantly, is how we are able to govern the joint ventures.

So, we are currently working on a project to review all the JV governance model that we have and we have a lot of JVs and subsidiaries, as one may prefer to call, so we are reviewing that to ensure that we can even improve the model that we used to govern the joint ventures. So, in a nutshell, joint ventures is also an option,



but we'll be very disciplined in regards to allocation of capital and we're going to use this model of JVs in a very strategic manner and we are being closely considering the governance that we have to governance this company.

Mr. Luciano Siani: Thank you, Sandra. In order to broaden the tropics here, also back to Alexandre, another live question about the experience in diversity matrix that you showed, it is significantly improved compared to the Board in past years. Are there any skills experience or diversity that you believe are still missing?

Mr. Alexandre Silva: Well, you know, not really, you know. We, as I said before, we started with a group of 70 potential names. At the end, you know, with the five names we proposed along with the order, you know, seven members of the actual Board, so I'm here to talk about the twelve, you know, members to be elected, not the employee one.

So, we think the matrix is very well, you know, there was a good response to the matrix, I think we have a very balanced Board concerning not only the skills and the competencies and backgrounds, but also, you know, geography, experience, other things that are a little more subject to, you know, to consider. At the end, you know, we are very happy with the result of our work.

Mr. Luciano Siani: Thank you, Alexandre, the next one for Sandra. How does the Board gain assurance that the new purpose is being embedded across the company?

Mrs. Sandra Guerra: Thank you and very good question. And I mentioned how we created the purpose together and now, we are going to ensure by several indicators how the purpose is permeating the whole company. But let me say that this is not a quantitative exercise. I think the board has to be very close to what is happening in the company, because there are more important indicators that we are doing, not only, we are not putting only in the paper, but it's really happening in the company and there is a lot of examples that I can point, that we can witness that the company is really changing.



So, answering in a nutshell, we are going to track indicators throughout the year and particularly people, governance and compensation committee is the one focusing on that, but we are very close to see elements that speak for themselves that the culture is changed. And let me say that I can witness by watching a two hours and a half event, global event, entire event of Vale, precisely on the launch of the purpose, witnessing the testimony of those numerous managers, supervisors, executives around the globe, how they really are embracing the new purpose. So, I think this is the more important part and we will keep tracking on that on top of the indicators, but really feeling having this near touch to how the company is embedding the purpose in everything that we do. Thank you.

Mr. Luciano Siani: Thank you, Sandra. The next one comes from a Brazilian investor for Penido, regarding capital allocation. In your view, how much of the discount to peers is due to ESG gaps and how much is lack of [...] confidence in capital allocation of cash returns to investors and how to address that?

Mr. José Luciano Penido: In my perspective, I would say that the discount against the peers have a substantial portion related with ESG, no doubt, and mainly governance, because I think that the other part of governance are related with the major tragedies we cope with. But I think that we had two other points, operational points.

One is the reflex of the Brumadinho accident against our ability to deliver iron ore. We used to, be by far, the leader in the iron ore business and we are now second. So, we need to restore our leadership in this business.

And second, I would say that the capital allocation, we are now, after one year of interruption, we are returning all cash that is not necessary to our business to shareholders and it's clear that we are living now a very positive moment for the iron ore supply. We believe that this demand of iron ore is sustainable, so the additional cash generation for the coming periods, we plan to maintain a discipline of about US\$ 6 billion of Capex every year and, on top of that, we will return to shareholders.



Mr. Luciano Siani: Ok, Penido, I think we have time for one last question, just to wrap up. Question for Sandra on the use of board time, so how... I don't quite read it on the chat, because I think it was a erased, but the question said how do you see the use of Board time evolving, because it was very intense, as you pointed out, in previous last years and how it's going to evolve? And how do you think the presence of international Board members will affect the dynamics of the board?

Mrs. Sandra Guerra: Thank you, good question, and yes, we are evolving in the use of time as a Board. Of course, 19 was, you know, dominated by Brumadinho crisis and we had a spillover this year and also, because we have been structuring everything that we are presenting here today, so we're paving the way.

And I believe that now that we have established those pillar, those practices and mechanisms, we will be able to reduce the time allocated in the Board meetings and this is very important, because, it's not only because of how the Board works, but because when the Board and committees are working we use the time of management, so we have to be very aware and very efficient in using the management's time.

In regards to the second question, it's also very interesting. We are a global company and we have been hearing from all of you investors that we had to have a global Board and it's not a global Board of being more Brazilians having international experience, but we heard from you is that we had to have really people from other mindset cultures' perspective coming from other regions and that's why and how the Nomination Committee responded.

We have already today executives in the company that are from other nationalities, so it's very common in the Board that we switch to Portuguese and English and I think that this will be a valid exercise to create these interactions from foreigners and Brazilians as a Board, because this is precisely what our business is. So, I believe that there will be the first period, the first month will be a period of adjustment, but I think that we're very used to interact with many International actors and this will be increased, so I think it will be very useful



exercise of open up our minds and open up our perspectives to a global vision, because we are a global company.

Mr. Luciano Siani: Sandra, thank you. Mindful...

Mr. José Luciano Penido: Luciano, may I make a final point?

Mr. Luciano Siani: Yes, please.

Mr. José Luciano Penido: Yes, one important point for the Board is to reach the assurance of no repetition of these disasters we had in the couple of years. And, in order to anticipate this, Vale has made a public commitment with the Human Rights Principles and during 2020, we performed a self-assessment in our operations in the world and plans are in place to eliminate all potential risks of human rights violations. And we expect, in the coming years, to perform independent audits in order to be sure that we are no longer running risks of big violations.

Mr. Luciano Siani: Okay, thank you Mr. Penido. Mindful that we are past the hour, I thank you for extending your participation here. We have still many questions pending, we're going to address all of them properly after the end of this meeting. We thank you very much for your interest in this proxy season, we hope we will have a lot of attendance and that the shareholder base will exercise its sovereignty in choosing the new board members and addressing all the questions for the next shareholders' meeting. Thanks for our Board's members, thanks for all the investors and shareholders and this concludes the event.