

February 7, 2022

To

Business and Human Rights Resource Centre

C/O: Meagan Barrera, North America Researcher and Representative

Re: OXFAM open letter in support of meaningful Company Expectations for EITI Supporting Companies

Per Oxfam's invitation to all 29 EITI Supporting Companies on January 10, 2022, to answer questions related to the Extractive Industries Transparency Initiative (EITI) current revision to its Expectations for Supporting Companies, please find below Vale's contribution.

- 1. What minimum threshold of compliance with Company Expectations should be required for a company to be listed with the distinction of being an EITI Supporting Company?**

The recent assessment conducted by EITI about the Expectations for EITI supporting companies sought to identify good practice as well as gaps in disclosures. It also highlighted opportunities for clarifying the expectations and improving communication around good practices. Vale supports the discussions related to companies' compliance, and the EITI already-planned next steps, according to EITI governance practices, of considering how to address areas for improvement in performance on the Expectations for EITI supporting companies, with the objective of a more transparent and accountable extractive sector.

- 2. Does your company agree that Expectation 1 should mandate meaningful support, like requiring that EITI Supporting Companies will voice their support for – and not undermine by lobbying against – laws, regulations, and policies that promote transparency efforts aligned with the EITI Standard in the jurisdictions they operate in and globally?**

As mentioned above, we support that EITI addresses, according to EITI governance practices, areas for improvement in performance on the Expectations for EITI Supporting Companies, including Expectation 1, with the aim to promote greater transparency and accountability in the extractives sector, and overall contribute to sustainable development.

- 3. Does your company agree that EITI Supporting Companies should make project-level payments-to-government disclosures, in line with the EITI Standard, in all jurisdictions where they operate, as outlined in Company Expectations 2 and 3?**

Vale understands the value of transparency in disclosing taxes and payments to governments and that project-level disclosure is an information that can be of relevant interest and that, as such, it be part of EITI standards.

4. Does your company believe that companies should be excused for not complying with Expectation 2 if they provide an explanation for their non-compliance? Has your company ever encountered a law that prevented you from complying with Expectation 2?

Our company has not so far encountered legislations preventing from releasing information complying with Expectation 2. We reinforce that Vale supports the discussions related to companies' compliance, and the EITI already-planned next steps, according to EITI governance practices, of considering how to address areas for improvement in performance on the Expectations for EITI supporting companies, with the objective of a more transparent and accountable extractive sector.

5. What consequences should exist for EITI Supporting Companies that do not comply with the Company Expectations?

Companies should be constantly assessed by EITI based on public information and adhere to what is specifically defined by EITI after implementation around potential changes to EITI Supporting Companies Expectations, which proceeds according to EITI governance practices. Vale believes that a well-defined mechanism for consequences should exist for Supporting Companies that are not meeting and not showing improvements against the Expectations for EITI supporting companies, for example, regarding the possibility of nomination of representative to the EITI Board.

6. Are EITI Board Members that do not comply with the Company Expectations able to adequately represent the interests of your company, the Supporting Company constituency, and the Initiative as a whole?

Considering that EITI Board is the EITI's main governing body which decides on priorities for the organization, and that its main responsibilities include ensuring that EITI operates transparently, Vale encourages EITI to address and implement a specific process related to the possibility of a supporting company eligibility for nomination or re-nomination to EITI Board linked to the company adherence to the EITI Supporting Companies Expectations.