

## Impact Management with Indigenous Peoples of a Mining Company in Brazil

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Vale was a state-owned company founded in 1942. It was privatized in 1997. Now the company is around 235,000 people—including employees and contractors—It's produces iron ore and energy transition metals solutions globally. The company is one of the world's largest producers of iron ore, pellets, copper and nickel, with a portfolio that also includes, platinum group metals (PGMs), gold, silver, cobalt, and more recently, iron ore briquettes. Alongside with our mining operations, we manage an extensive network of logistics systems—including railroads, maritime terminals, ports, and distribution centers—that enable us to deliver our iron ore to customers across the globe. Directly, and through associates and joint ventures, we also have investments in the energy business segment. Vale is headquartered in Rio de Janeiro, Brazil, and is present in 18 countries.

The company is on a Journey of Transformation since the collapse of Mariana Dam (Samarco – Joint Venture by Vale and BHP) in 2015 and Brumadinho in 2019, both in Minas Gerais, Brazil.

### Mariana Dam Collapse

On November 5, 2015, the catastrophic collapse of the Fundão dam in Mariana (Minas Gerais) released 39.2 million cubic meters of tailings into the Gualaxo do Norte River and the Doce River, affecting communities in 39 municipalities in the states of Minas Gerais and Espírito Santo. Nineteen people lost their lives and thousands lost their livelihoods.

To lead the Remediation efforts, the Renova Foundation was established in 2016 under a Transaction and Adjustment Conduct Term (or Termo de Transação e Ajustamento de Conduta – TTAC, in Portuguese) *and it is* exclusively dedicated to the Remediation process. Working through Renova and its governance bodies, Vale is committed to repairing and compensating for the impacts on society and the environment, while also improving a wide range of indicators in affected areas.

The Remediation efforts in Mariana and the affected region have been a complex and challenging mission due to the vast areas affected by the dam breach, the diverse social, cultural, and economic characteristics of the region, the need to effectively engage stakeholders in decision-making, the licensing processes for infrastructure projects, and the challenges posed by the Covid-19 pandemic. As per the Transaction and Adjustment Conduct Term (TTAC), we are conducting a set of 42 social, economic and environmental Remediation programs in affected territories, along a stretch of river approximately 670 km in length.

We recognize that human losses are irreparable. However, we are working tirelessly to fulfill the mission of repairing and compensating for the damage to individuals and territories caused by the ruptures, through direct actions in the case of Brumadinho (MG) and through the support of the Renova Foundation.

## Brumadinho Dam Collapse

The failure of Dam I at our Córrego do Feijão mine on January 25, 2019 resulted in irreparable human losses. Since then, we have worked tirelessly to repair and compensate for the damages in a participatory process involving the affected individuals.

A wide range of Remediation initiatives have been undertaken across the social, environmental, infrastructure, and safety dimensions. We continue to invest in initiatives aimed at developing responsible mining practices, reducing impacts, and transparently engaging with society to further mitigate risks associated with our operations.

The dam collapse resulted in 270 fatalities, including two pregnant women, with 3 victims still missing. We continue to engage with the families and support the Fire Department of Minas Gerais in their search efforts.

Our commitment to preventing recurrence has led us to redouble our focus on people's and dam safety by implementing stringent international standards.

The tragedies in Brumadinho and Mariana have led us to search for answers on how we can evolve our management and monitoring processes for dams and tailings storage facilities as part of our efforts to become a more reliable operator. We aspire to "never again," and have embarked on a journey of cultural transformation in which we seek to de-risk our geotechnical structures and enhance engagement with communities surrounding our mining operations.

## Social Performance

Learning from our mistakes and finding ways to a healthy relationship by building and maintaining respect and trust is an essential part of our business model. Our learning journey is connected to our ability to listen to and engage with local communities in our geographies. Our Human Rights Policy is aligned to international standards such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the Universal Declaration of Human Rights, and the principles and guidelines issued by the International Council on Mining and Metals (ICMM). We also take into account the ICMM's stance on Mining and Indigenous Peoples, the International Labour Organization's Convention No. 169, among others, and regulations in the countries where we operate. We understand that we are part of and can contribute to our geographies. In 2023, we began implementing a new integrated model to improve local performance with communities, municipal governments, regulators, and other stakeholders in Brazil. This process entails pinpointing and reducing the risks and impacts of our operations, evaluating the needs of communities in our geographies, and determining how we can aid the development of these regions. We are challenged with integrating the agendas of these territories and stakeholders while implementing our operating strategy. This includes territorial development programs designed to enhance local capabilities and foster the growth of these communities in collaboration with the government and partners.

Our Social Performance Framework guides our community initiatives throughout the lifecycle of our projects, as follows:

- Respect for Human Rights is at the core. It extends to all our activities as a non-negotiable condition that requires every employee and contractor to be vigilant to prevent human rights violations.

- Our relationships with communities and other stakeholders are the means by which we build respect and trust. It is through our engagement with individuals, groups, and institutions that we manage the potential positive and negative impacts of our operations, share our practices, and learn how to become a better company each day, making us a partner in the development of the territories where we operate.
- We aim to go beyond bare minimum requirements and risk and impact management to enhance our contribution to territorial development.
- Our social performance framework calls for company-wide engagement around reducing communities' exposure to risks and mitigating the impacts of our activities.
- We have dedicated Community Relations (CR) teams tasked with facilitating engagement with communities.

## Indigenous Peoples and Traditional Communities

In Brazil, the engagement strategy with Indigenous Peoples and Traditional Communities is underpinned by both the management of risks and impacts of our operations and by respect for the rights of these populations, recognizing their cultural diversity and their unique relationship with the territory. In 2018 we review our engagement strategy focused on building and maintaining trust, supporting autonomy and resilience, contributing to mutual benefits, and promoting ethnodevelopment.

Our approach is conducted by dedicated professionals with multidisciplinary experience and training in the field. These professionals are responsible for interfacing with Peoples and communities and for guiding business practices to ensure compliance with Vale's formalized commitments to these Peoples and communities. Today, we are engaging with 30 Indigenous Peoples in Brazil, Canada, Peru and Chile. In the Brazilian territory, where most of our activities are located, we are engaging with 13 Indigenous Peoples and 53 Traditional Communities, such as quilombola communities, coconut breakers and artisanal fishermen. This relationship prioritizes the management of risks and impacts of our activities, a better neighborly relationship between the company's operations and these communities, in addition to shared social value.

Since late 70's and early 80's, when Vale initiates a relationship with Indigenous Peoples, we are learning and recognizing the importance of this relation and how important is contribute to the Indigenous Peoples rights.

Throughout that time we are investing in building capacity, increasing the number of specialized and dedicated professionals for relationships with these Peoples, improving internal process to ensure that risk and impact management, social investments and other internal processes of the company respect the rights of Indigenous Peoples, including the FPIC – Free, Prior and Informed Consent.

In recent years, we established agreements with Indigenous Peoples and resolved significant legal issues and controversies – in addition to continuing initiatives outlined in Impact Assessment, Socioenvironmental Plans and voluntary initiatives with these communities.

In 2021, although Vale has no mining activities on Indigenous Lands in Brazil, the company relinquished all its mining rights on Indigenous Lands in Brazil and has also given up requests for research authorizations and mining concessions. Vale's relinquishment is based on the understanding that mining on Indigenous Lands can only be carried out with the Free, Prior

and Informed Consent (FPIC) of the Indigenous People themselves and based on legislation that adequately regulates the activity.

Currently, Vale develops activities in traditional territories in countries where regulations are in force, such as Canada, always in observance of the principles mentioned above.

In 2022 we launched our Social Ambition, highlighting Vale's goal *"to be a partner company in the development of resilient communities, engaged in relevant issues to humanity and committed to sustainable mining"*. In this sense, we have a specific commitment related to Indigenous Peoples, *"to support all indigenous communities neighboring Vale's operations in the development and execution of their plans in pursuit of rights under the United Nations Declaration on the Rights of Indigenous Peoples."*

The goal is until 2030, all Indigenous Communities neighboring our operations have access to one of these 3 initiatives:

- Consultation Protocols
- Territorial and Environmental Management Plans
- Life Plans

## Relationship With Indigenous Peoples and Tradicional Comunities in Brazil

At Vale, we have relationships with 15 indigenous peoples and 57 traditional communities, these populations are neighbors of our operations and projects or impacted by the collapse of the Mariana and Brumadinho dams.

Our relationship strategy is based on three pillars of action:

**Trust Relationship:** Maintenance of structured and transparent dialogue; Acting in compliance with the FPIC, Expansion of bilateral knowledge between indigenous people and companies, Efficient management of risks, impacts and grievances, Engagement with strategic stakeholders, Emergency support and for specific actions.

**Autonomy and Resilience of Indigenous Peoples:** Contribution to the organization and structuring for access to the general set of indigenous rights - Development of Consultation Protocols, Territorial and Environmental Management Plans and/or Life Plans), Support for initiatives related to specific rights (health, education, culture, territorial protection and ethnodevelopment), Support for institutional strengthening and internal governance.

**Mutual Benefits:** Conclusion of long-term agreements, containing commitments that guarantee the sustainability of peoples and businesses, and with shared governance structures for their management, Contribution to the creation of indigenous capacity aiming at business partnerships (employment, supply of inputs and provision of services).

## Relationship between Vale and the Xikrin People of Cateté

Vale has had a relationship with the Xikrin People for 40 years, half of its existence. The history of this relationship is intertwined with the history of its operations in the state of Pará, located in the Amazon region.

During all these years of contact, our relationship had good and bad moments, but it was possible to act contributing to the ethnodevelopment of this populationthe main lines of support for the Xikrin People in the construction of their autonomy are:

- Compensation/Mitigation measures
- Longterm's Agreement
- Structuring Volunteer Programs

In this way, we are able to effectively support the maintenance of their way of life and the protection of their territory and cultural heritage