

PTP- 000851, Rev. 02: 12/11/2018

Issuing Departments: Health and Safety Corporate and Environment Corporate

Technical Leaders: Health, Safety and Environment Processes Integration Management – Gisele Martins / Wanessa Santiago; Corporate Health Management – José Vitral and Environment Executive Management – Gabriel Ribeiro.

Target Audience: Contract Management, Supplies, Delegated Areas, Contract Managers, Contract Inspectors, Service Requesters, HSE Areas and Managers having contracts in their areas.

Need for Training: (X) YES () NO

Expected Results

Ensure that the Target Audience applies the Health, Safety and Environment (HSE) requirements described herein to Contracts / Contractors with the goal of achieving Zero Fatality.

1. **Objective:**

Establish requirements to ensure that Target Audience applies the HSE standards in the execution of Contracts by the Contractors so that they establish and comply with not only HSE practices, procedures, and standards established in the HSE Requirements for Vale Contractors and their associated documents, but also with the Technical Specification and Contract while providing of services to Vale.

2. **Application:**

This document applies to Vale globally, in accordance with NFN-0001. English version of this document is not applicable for Brazil.

3. **References:**

- NFN-0001 – Planning, Development, and Management Standard
- NFN-0015 – Supplies Standard
- NFN-0009 – Sustainability Standard. Annex: Vale's HSE Integrated Management System
- ES-R-403 – Specification of HSE requirements for contracting in Capital Project
- HSE Guidelines for suppliers of the Exploration and Mineral Projects Department

4. **Definitions applicable to this document:**

- **Applicants:** Legal persons participating in a process for contracting of goods, products and/or services.
- **Basic HSE Training:** Minimum HSE Requirements so that Contractors, Subcontractors, and Independent Contractors can provide services at Vale's areas. This training does not replace local legal obligations.
- **Contractor:** Service provider with contractual bonds with Vale. It includes contractual bonds of any nature.
- **HSE:** Health, Safety, and Environment.
- **IMS:** Integrated Management System
- **Independent Contractor:** Those who carry out professional activities without employment bonds, on their own account and assuming their own risks.
- **Legal Person:** The entity created for the accomplishment of a purpose and acknowledged by the law as subject of rights and duties. It can be of public law (e.g., Federal Government, States, Cities, etc.) or private law (e.g., associations, societies, foundations, public companies, etc.).
- **Subcontractor:** Goods, products, or services provider with contractual bonds with a company contracted directly by Vale.
- **Supplier:** Any natural or legal person, public or private, national or foreign, as well as entities without legal personality that can provide goods, products, and services.
- **Third Party/Contract Employee:** Employee of Contractors and Subcontractors, regardless of the period of work (integral or partial).

5. HSE Management Model for Suppliers:

The HSE Management Model for Suppliers aims to establish the HSE Requirements in order to ensure uniformity and transparency in the relationship between Vale and Suppliers regarding the effective implementation of HSE practices, procedures, and minimum standards during the execution of activities for Vale. This model comprises 5 (five) stages as shown below:



The Supplier must be aware of and familiar with the Health, Safety, and Environment technical requirements required in all five (5) stages, in accordance with Annex 3 of this document – HSE Requirements for Vale Suppliers. Document available on Vale's website via the following link:

<http://www.vale.com/EN/suppliers/become-supplier/Pages/BeaSupplier.aspx>

6. Assumptions per stage:

6.1. Certification of Suppliers

Suppliers wishing to be eligible to participate in contracting processes for the supply of goods, products, and services to Vale must have prior knowledge and awareness of Annex 3 - HSE Requirements for Vale Suppliers, as well as be registered and approved according to HSE items established in Annex 1 of this HSE Management Procedure for Vale Contractors.

The registration of a Supplier that has not met the established HSE criteria can be authorized only upon formal request of the Executive Manager of the area requesting the specific registration of this supplier.

6.2. Contracting of Contractors

It is important to note that variations in the initial contracting stage and subsequent stages occur in Vale's Mineral Exploration/Capital Projects and Current Operations/Projects business areas.

During the contracting process, the result of HSE performance of participating companies in previous contracts must be taken into account, and the Suppliers who have previously achieved high performance while engaged by Vale must be given consideration during the contractor selection process.

In circumstances where the scope of work includes activities which can result in environmental impact, it is necessary to ensure the contracting companies have been issued with the necessary permits / licenses by relevant authorities / government agency.

The HSE Requirements for Vale Suppliers is applicable in its entirety to Contracts with Controlled activities. The total or partial application of the HSE Requirements defined in the HSE Requirements for Vale Suppliers, for Monitored and Uncontrolled activities, will be defined on a case-by-case basis by the area responsible for executing the Contract together with local HSE representatives.

The Technical Request/Technical Specification for each service provision contracting process must have a specific HSE field with the purpose of informing the actions for prevention and the control measures applicable to the scope of the contract and any location specific HSE requirements.

The service requester is required to complete the HSE field with the support of the local HSE area, regardless of the contract period and type of contracting, and must contain at least the following, when applicable:

1. Obligation to comply with the HSE Requirements for Vale Suppliers during the execution of the Contract and its HSE Requirement on the Internet (Vale – Suppliers Page);
2. Contract HSE Risk Classification – Low, Average, High/Very High;
3. Activity Classification - Controlled, Monitored, or Uncontrolled;
4. The need to undertake Technical Visits for guidance and clarification;
5. The risk situations (mechanical and environmental) and the HSE aspects of Vale’s processes that interface with the contractual scope, that is, the Preliminary Risk Analysis / Aspects and Impacts Assessment of the areas where the activities will be carried out;
6. The minimum HSE conditions and standards to be complied with and maintained at construction sites or Contractor's facilities (in Vale’s property), including 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, in addition to the conditions to be followed upon demobilization and the specific needs related to environmental controls;
7. The need to prepare the Emergency Response Plan of the Contractor or if it will be included in Vale’s ERP, in addition to resources and responsibilities;
8. Requirements for access to Vale’s areas – people and equipment;
9. Frequency of HSE meetings, if applicable;
10. Area-specific training required for mobilization of third parties;
11. Models of JSA Behavioral Dialogues and others, when applicable;
12. The H&S Golden Rules of the Location(s) where the service will be executed;
13. Specific requirements resulting from the HSE and Process Safety Programs (where applicable) required for mobilization of third parties.

NOTE: The Technical Visit must be accompanied by an HSE professional (Vale or designated by it) trained to advise and clarify any doubts of the Applicants regarding the HSE requirements to be met, as defined in Annex 2 to this HSE Management Procedure for Vale Contractors.

6.2.1. Capital Projects/Mineral Exploration

Notwithstanding the provisions of item 6.2 above, it must be available to the the Applicant: the Technical Request, the HSE Requirements for Vale Suppliers and the procedure ES-R-403 - Specification of HSE requirements for contracting in Capital Project and the HSE Requirements for Suppliers of the Exploration and Mineral Projects Department for contracting in Mineral Exploration, which establishes the Requirements to assist Applicants in the HSE requirements for preparation of their technical and commercial proposals.

The Contractors must use their own HSE Management Systems, tools, and documents, as long as they comply with the applicable legislation and the minimum requirements agreed between Vale and Supplier during the contracting process.

6.3. Mobilization of Contractors

The mobilization of Companies and third parties must comply with the requirements of the Local Legislation where the service will be provided.

Rational management X classification of the activities of the scope of the contract:

Activities	Do you count accident?	Do you count MHW?	Mobilize and manages In the SGC?
CONTROLLED	Yes	Yes	Yes
MONITORED	No	No	Yes
NON CONTROLLED	No	No	No

MHW: Man-hours worked

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The mobilization stage comprises the following steps:

- **Initial Meeting:** Topics discussed during the initial meeting shall include but not limited to: Risks associated with the environment where the activities will be carried out, to clarify to the Contractor the HSE requirements, as well as documents to be submitted, risk methodology to be used, frequency of field inspections, local programs, forms to be filled out, applicable medical examinations, and training sessions to be proven by Supplier to mobilize its workforce to meet the contract scope and Vale's HSE requirements as already provided in the HSE Requirements for Vale Suppliers and Technical Request/Technical Specification. The mandatory participation of the HSE staff of the location in the initial meetings is defined in Annex 2 to this Health, Safety, and Environment Management Procedure for Vale Contractors.
- **Access Authorization:** As established in Local Legislation and Site Rules.
- **HSE Training:**
 - **Basic HSE Training:** Third parties must receive basic Requirements prior to entering Vale's facilities and starting their activities according to legal requirements applicable to the location and according to minimum content:
 - 1) Vale Code of Ethics and Conduct;
 - 2) Vale Sustainability Policy;
 - 3) Local Emergency procedures;
 - 4) Personal appearance – Clothing, shoes, jewelry, and accessories;
 - 5) Reporting of incidents;
 - 6) Security Information - Use of cell phones, cameras, or camcorders;
 - 7) Vale HSE Integrated Management System/HSE Programs and tools – overview;
 - 8) Golden Rules of the Business Unit;
 - 9) Risks of the Unit and Vale's operational processes;
 - 10) RAC – overview;
 - 11) Concepts of Ergonomics;
 - 12) Concepts of Occupational Hygiene;
 - 13) Driving Rules - Signs, maximum permitted speed, interaction with other road users, driving to conditions;
 - 14) Environmental Requirements – e.g.: conditions

The Basic HSE training had to have an hourly load of at most 4 hours of instruction and is accepted in other areas of Vale with, at most 2 additional hours of instruction on the specific local requirements of another Area.

Third parties who are absent from Vale's activities/areas for more than 1 year will be required to undertake Basic HSE Training 'refresher' with reduced hours of instruction or HSE Briefing.

Contractors may deliver Basic HSE Training if authorized to do so by the local HSE team and the training material provided by Vale is utilized during the training delivery.

- **HSE Introductory.** Training legally required to all Third Parties that perform activities at Vale's premises that fall within local legal requirements and require HS training. Aiming at optimization, the contents of this training must comprise all the items of the Basic HSE Training that are not comprised in legal requirements. Thus, only Introduction to HS would be mandatory since it already comprises the Basic HSE Training.
- **RAC Critical Activity Requirements:** It is the Contractor's responsibility to provide Critical Activity Requirement (RAC) training in accordance with the Requirements for RAC Training Actions.

These training must be accepted in other locations and only complementary training must be made for the particularities of the other Unit and in compliance with local Legal Requirements, when applicable.

When Vale is required to provide training sessions for employees of Contractors and/or Subcontractors, third parties can sign the same list of attendance of Vale, provided that this list highlights the name of that employee and the name of the contracted company.

6.4. Management of the Contractor

The Contractors' HSE performance must be assessed every year to ensure contractual compliance and provide the continuous improvement of HSE performance. The periodic assessments are intended to monitor and verify conformities related to the compliance of the Contractors with the HSE Legislation applicable to the scope of the contract, the HSE Requirements for Vale Suppliers, the HSE-related standardization documents, and the contractual requirements themselves.

The Contractors' HSE performance must be assessed according to the Contractors' HSE Performance Assessment Form attached to the HSE Requirements for Vale Suppliers. Contractors with best HSE performance must be acknowledged by the HSE area of the location. For companies with poor HSE performance, an action plan must be established in conjunction with the contractor to address identified deficiencies and this plan must be monitored periodically by the Contract Manager with the aid of the local HSE team.

The results of the performance assessments must be recorded as defined locally. An HSE performance ranking must be established to allow the prompt tracking of this information at any time.

In circumstances where a variation in the scope of the contract occurs during the term of the Contract, the Contract Manager must verify the need to adapt the information defined in the HSE Field of the Technical Specification issued at the time of when the Contract was awarded and include the complementary HSE requirements associated with the variation in the amended Contract.

6.4.1. Capital Projects/Exploration

The contract manager must include within his/her routines the verification of compliance with the Contractor's Management Plan and, in case of non-compliance with any item, an action plan must be established together with the Contractor.

6.4.2. Current Operations/Projects:

The Current Operations and Projects Contractors are included in Vale's IMS. The IMS procedures which are required to be complied with are:

- Sustainability Policy
- HSE Integrated Management System Manual
- RAC Training Requirements
- Critical Activity Requirements Procedure
- HSE Incident Management Procedure

The deployment of the HSE Requirements and requirements of the IMS is included in the HSE Requirements for Suppliers, and the particularities of Vale's Board/Area are described in the Technical Specification.

6.5. Demobilization of the Contractor

A contract can be terminated only after the construction site and/or the entire area of intervention of the Contractor's scope has been inspected and released by the Contract Manager in conjunction with the local HSE area.

The inspection must also assess the environmental conditions of the area in order to verify the existence of potential liabilities, contamination, and/or degradation. If it is evidenced that all the actions have been remedied, a statement of No HSE Entries is issued.

7. Responsibilities

Health, Safety and Environment Corporatives

- Establish and periodically update the requirements associated with the IMS, as well as the procedures, standards, and policies applicable to Vale Suppliers;
- Establish the minimum criteria and indicators for assessing the HSE performance for Contractors;
- Ensure the alignment of the areas involved in the application of the procedures and standards of the HSE management process for Vale Suppliers.

HSE Teams of Operational Areas

- Support the Requesting Area in the preparation of HSE Requirements in the Technical Request/Technical Specification according to the scope of the service and local particularities and assist in defining the type of activity (Controlled, Monitored, and Uncontrolled);
- Support the Requesting Area and the Contract Manager in the processes of assessment of technical proposals, contracting, inspection, assessment of performance of the Supplier, and demobilization of the contract;
- Participate in the technical visit and initial meeting to mobilize the contracts in accordance with Annex 2 to this Health, Safety, and Environment Management Procedure for Vale Contractors;
- Map local HSE documents that are made available to the Contractors and inform the Contract Manager of any updates to the HSE documents;
- Assess and approve with the Contract Manager the use of Contractor's own forms;
- Collect information on workforce, Man Hours Worked, and rates/incidents to report to the Corporate area;
- Take Contractors into account in IMS internal audits.

Operational Area

- Apply the HSE Requirements defined in this document in all stages of contract management;
- Follow up and ensure compliance with the legal requirements and HSE controls applicable to the Contractors, with the support of the local HSE area;
- Inform the Contractors of any updates to the HSE Documents;
- Assess and approve with the local HSE area the use of Contractor's own forms – They must comprise at least the information contained in Vale documents and present the systematization of this process;
- Collect information on workforce, Man Hours Worked, and HSE rates of the Contractors and report monthly to local HSE;
- Consult the local HSE team in accordance with Annex 2 to this Health, Safety, and Environment Management Procedure for Vale Contractors to support the Contract Termination Instrument/Statement of No HSE Entries;
- Perform the Contractor HSE Performance Assessment;
- Prepare the Technical Request/Technical Specification considering the HSE requirements of the location(s) and those specific and applicable to the scope of the contract according to item 6.2 of this document;
- Classify the HSE risks according to the scope of the contract applying Table 3 - Risk Matrix contained in NFN-0001, in order to identify in Annex 2 to this Health, Safety, and Environment Management Procedure for Vale Contractors the requirements applicable to the Supplier according to the risk x time of the activity. Where necessary, support from the local HSE team must be requested.

8. Annexes

ANNEX 1 – HSE Prequalification for Vale Suppliers - Internal document

ANNEX 2 – Matrix of Applicability of HSE Requirements for Suppliers – Internal document

ANNEX 3 – HSE Requirements for Vale Suppliers – External document

The implementation of this program must be planned to reach its totality within 12 months after its publication.

Doubts and questions related to this document must be sent to: saude.seguranca.corporativa@vale.com