

SEQ13762/GJU/2018

Belo Horizonte, January 16th, 2019.

REGARD: *Response to AL OTH 59/2018 - Joint Communication from Special Procedures, Office of the High Commissioner for Human Rights*

Mr. Dante Pesce

Chair-Rapporteur on the Working Group on the issue of human rights and transnational corporations and other business enterprises;

Mr. David R. Boyd

Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment

Mr. Baskut Tuncak

Special Rapporteur on the implications for human rights on the environmentally sound management and disposal of hazardous substances and waste.

Mrs. Victoria Lucia Tauli-Corpuz

Special Rapporteur on the rights of indigenous peoples

Leo Heller

Special Rapporteur on the right to safe drinking water and sanitation

Dear Sirs and Madam,

RENOVA FOUNDATION (FOUNDATION), a legal entity under private law, duly registered with the CNPJ/MF under number 25.135.507/0001-83, Avenida Getúlio Vargas, 671, 4^o floor, Belo Horizonte/MG, Zip Code 30.112- 021, is pleased to respectfully respond to the Joint Communication of the Special Procedures of the United Nations High Commissioner for Human Rights (Communication

from Special Procedures, Office of the High Commissioner for Human Rights - AL OTH 59/2018), submitted by the Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises in October, 2018.

Renova Foundation was founded on June 30, 2016 and began its operation on August 2 of the same year. The institution is the result of the signing of the Transaction and Conduct Adjustment Term (TTAC), on March 2, between Samarco, with the support of its shareholders, Vale and BHP Billiton, and the Brazilian Federal Government, State Governments of Minas Gerais and Espírito Santo, and other government agencies. The TTAC defines Renova as the entity responsible for the creation, management and execution of actions to remediate and compensate the areas and communities affected by the collapse of the Fundão dam.

Renova Foundation's programs are based on two main fronts: remediation and compensation. The first is to restore and reestablish the original conditions of communities and resources affected by the dam collapse, while the compensation front aims for replace or compensate what is not subject to remediation. Given the TTAC, the programs can be closely monitored and have the participation of affected communities in its decision making. In addition, the work also receives monitoring and audits, ensuring that civil society is aware of the investments being made and their results.

Guided by its Human Rights Policy, the HR Sector of Renova Foundation is responsible for acting in three main pillars throughout its programs and processes: i. promotion and education in human rights; ii. prevention and mitigation of adverse impacts on human rights; iii. remediation.

In line with those commitments, Renova Foundation is interested

in joining the UN Global Compact on Business and Human Rights – Section Brazil, as a non business organization. The request to the UN Global Compact shall be sent by Renova soon.

Please, find attached to this letter, Renova Foundation’s response to the questions and recommendations posed in the Joint Communication (Ref. AL OTH 17.10.2008). The response is divided into three chapters, namely: I. INITIAL CONSIDERATIONS ABOUT THE RENOVA FOUNDATION; II. REPLY TO THE ITEMS OF THE RECOMMENDATION and III. CONCLUSION.

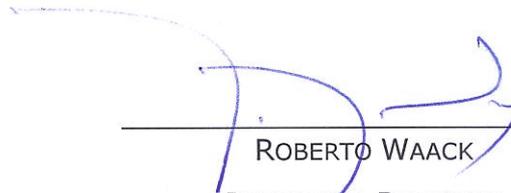
For easy reference, recommendations of the Joint Communication AL OTH 59/2018 are highlighted before the information provided by the FOUNDATION. In addition, it should be noted that information provided in this document should be analyzed in totality, since responses may address more than one item or recommendation from the Joint Communication. Although this response is in English, some of the attached documents are in their original Portuguese language format. If there is an interest or need for such documents to be translated, the FOUNDATION will be available to do so as soon as it is requested.

Furthermore, I would like to inform you that Renova Foundation also sent relevant information to the Brazilian Ministry of Human Rights concerning its request in order to respond the UN Working Group on Business and Human Rights on this matter.

I would also like to take this opportunity to invite you all to visit Renova Foundation’s programme called VimVer (“I came to see”, translated to English), which is a guided visit through the regions affected around Mariana, Barra Longa and the Doce River. During this visit, interested parties and other stakeholders get to know more about the reparation process that is being implemented by Renova. It would

be a pleasure for us to organize a visit for the UN Special Procedures' Rapporteurs.

Yours sincerely,



ROBERTO WAACK
PRESIDENT-DIRECTOR
RENOVA FOUNDATION

**- CHAPTER I: INITIAL CONSIDERATIONS ABOUT THE
RENOVA FOUNDATION -**

On March, 2nd, 2016, the Transaction and Adjustment of Conduct Agreement (TTAC) (document 01), between SAMARCO MINERAÇÃO S.A. (SAMARCO), VALE S.A. (VALE), BHP BILLITON BRASIL LTDA. (BHP BILLITON BRAZIL), Federal Union, States of Minas Gerais and Espírito Santo, and several public authorities at the federal and state¹ levels, through which the above-mentioned companies committed themselves to repairing in full and adequately compensating for the impacts resulting from the disruption of the Fundão dam. The TTAC is an innovative tool for the construction and implementation of an efficient, participatory and coordinated extrajudicial solution between the Companies and the Government Entities.

Based on Clause 209² of the TTAC, the Renova Foundation ('the FOUNDATION') was established on June, 30th, 2016 and began its activities on August, 2th, 2016 with the ts primary purpose of rebuilding, restoring and repairing all damages caused by the rupture of the Fundão dam. The Foundation seeks to remedy the human rights impacts and promote social, economic and environmental development of the impacted regions.

The FOUNDATION is a legal entity of private law, non-profit, endowed with administrative, patrimonial, financial and operational autonomy. It is subject to independent external auditing and is under the curatorship of the Public Ministry of Foundations of the Minas Gerais

¹ Brazilian Institute of Environment and Natural and Renewable Resources ("IBAMA"), Chico Mendes Institute of Biodiversity ("ICMbio"), National Water Agency (ANA), National Department of Mineral Production ("DNPM"), Indigenous National Foundation ("FUNAI"), State Forestry Institute ("IEF"), Mining Institute of Water Management ("IGAM"), State Environmental Foundation ("FEAM"), State Environmental Institute ("IEMA"), The Institute of Agricultural and Forest Defense of Espírito Santo ("IDAF") and the State Agency for Water Resources ("AGERH").

² "CLAUSE 209: SAMARCO and the SHAREHOLDERS shall establish a non-profit Private Law Foundation, nominated in this agreement as a FOUNDATION, with autonomy, to manage and execute all the measures provided for in the SOCIOECONOMIC AND SOCIOENVIRONMENTAL PROGRAMS, including the promotion of social assistance to the IMPACTED as a result of the FUNDÃO DAM RUPTURE".

Public Prosecutor's Office (MPMG).

Since its inception, the FOUNDATION has employed an innovative model of multisector governance, with the involvement of the Public Power through the Interfederative Committee and civil society, through the Advisory Board.

The main purpose of the Interfederative Committee (IFC), which was initially composed exclusively of representatives of the Public Authorities appointed by the signatory entities of TTAC, is to validate the actions and projects established within the framework of the TTAC. In order to assist it, the IFC instituted 11 (eleven) Technical Chambers, also composed by representatives of the Government Entities and divided according to the subjects provided in the TTAC to be implemented by the FOUNDATION³.

The Advisory Council was designed to ensure active voice and the right of the affected communities to participate in the definition and development of the FOUNDATION's programs. Internally, the FOUNDATION is governed by Curator and Fiscal Councils, as well as the Ombudsman and Compliance.

On June, 25th, 2018, the signatories of the TTAC, as well as the Federal Public Ministry, the Public Prosecutor's Office of the States of Minas Gerais and Espírito Santo, the Public Defender's Office of the Union and the Public Defender's Office of the States of Minas Gerais and Espírito Santo, with participation of the FOUNDATION, signed a term of conduct adjustment, that seeks to further strengthen the governance and social participation processes. The ("TAC GOVERNANCE") was homologated on August, 8th, 2018 (document 02).

³ Clause 242 of TTAC.

The homologation of the TAC GOVERNANCE states that agreement "(...) ***complements and improves*** the provisions of the TTAC, which will remain ***valid and effective*** between the signatory parties". Thus, the FOUNDATION clarifies that **(i)** the TTAC remains valid, producing effects between the parties, with the execution of socioeconomic and socioenvironmental recovery programs; **(ii)** the TTAC was complemented and improved by the TAC GOVERNANCE and **(iii)** the homologation of the TAC GOVERNANCE extinguished, with resolution of merit the public civil action nº 69758-61.2015.4.01.3400 on the case.

This new instrument increases the effective participation of affected communities in decisions about the reparation process through the introduction of new governance structures (Local Commissions, Regional Chambers and Observer Forum) and through the provision of technical assistance. In addition, TAC GOVERNANCE includes the affected population in all existing governance structures of the Renova Foundation.

The FOUNDATION has an unprecedented governance model in Brazil. Furthermore, in addition to the legal obligations set out in the agreements, the FOUNDATION voluntarily operates in accordance with guidelines on transparency, dialogue, respect for human rights and the participation of society. It strongly believes that these principles are imperative to building lasting solutions to meet the desires of the affected population and to facilitate the recovery and development of the impacted regions. The governance and participation model enables social and environmental methodologies and practices to be debated, defined, implemented, monitored, and improved over time.

**- CHAPTER II: RESPONSES TO ITEMS AND
RECOMMENDATIONS FROM OF THE JOINT COMMUNICATION -**

**ITEM 1. PLEASE PROVIDE ANY ADDITIONAL INFORMATION AND/OR
COMMENT(S) YOU MAY HAVE ON THE ABOVE-MENTIONED ALLEGATIONS**

1.1. MEDIATED INDEMNITY PROGRAM (PIM)

As stated in TTAC, it is incumbent upon the FOUNDATION to implement and manage all the actions necessary to repair and compensate for socioenvironmental and socioeconomic damages directly resulting from the rupture of the Fundão dam. The socioeconomic axis includes a non-judicial compensation mechanism for natural and legal persons (micro and small enterprises) impacted by the rupture occurs through the Mediated Indemnity Program (PIM). The program is voluntary and was designed to expedite compensation payments. To date, the PIM has indemnified more than 260,000 (two hundred and sixty thousand) persons in the States of Minas Gerais and Espírito Santo (document 03).

Affected people are entitled to the PIM, as defined in Clause 01, item II of the TTAC as *"the individuals or legal entities, and their respective communities, who have been directly affected by the EVENT under the terms of the following paragraphs and of this AGREEMENT"*, for the following damages:

- "A) loss of spouse, partner, relatives to the second degree, by death or disappearance;
- b) loss, by death or disappearance, of relatives with different degrees of kinship or of persons with whom they cohabited and/or maintained a relation of economic dependence;
- c) proven loss by the owner of movable or immovable property or loss of ownership of immovable property;

- d) loss of productive capacity or viability of use of immovable property or part of it;
- e) proven loss of areas of fishing activity and fishing and extractive resources, rendering the extractive or productive activity unfeasible;
- f) loss of sources of income, work or self-subsistence on which they depend economically, due to the rupture of the link with affected areas;
- g) proven damages to local productive activities, with the impossibility of establishment or economic activities;
- h) unfeasibility of access or activity of management of natural resources and fisheries, including lands of public domain and collective use, affecting the income and subsistence and the way of life of populations;
- i) damage to physical or mental health; and
- j) destruction or interference in community lifestyles or in conditions of reproduction of sociocultural and cosmological processes of coastal, estuarine, traditional and indigenous populations".⁴

The PIM program comprises two different components to compensate damages: (i) damages resulting from the temporary suspension (7-10 days) in the public water supply (PIM-DA) in the Municipalities affected by the dam failure and (ii) other general damages (such as human loss, movable or immovable assets, loss of productive capacity and/or subsistence, physical or mental damage or interference with the way of life) (PIM-DG).

In addition to indemnifying the moral and material damages suffered, which includes the payment of lost profits, those affected are also supported by the provision of **emergency financial aid**, which is equivalent to 1 (one) minimum wage, increased by 20% (twenty percent) per dependent and a food basket according to DIEESE, as provided in Clauses 137 to 140 of the TTAC.

The IFC has requested that the FOUNDATION provide financial aid

⁴ Term of Transaction and Adjustment of Conduct, Clause 1, subsection II.

until the reestablishment of the conditions to resume productive or economic activities. In the event of unfeasibility of resuming activities, the benefit will persist until the conditions for new productive activity are established, replacing the previous one.

In addition, in the Municipality of Mariana, emergency financial assistance is also provided to people who have been physically displaced for at least one year. This is a guideline agreed on December 23th, 2015 as part of the Public Civil Action I Mariana⁵.

1.1.1.1. TRANSPARENCY OF THE VALUES OFFERED IN THE PIM

With regard to the PIM-DA, the IFC issued the Resolution number 29, dated 10.25.2016, in which it approved that:

"The Mediated Indemnity Program shall pay compensation for moral damages to all persons directly affected by the shortage. This indemnity will be calculated considering the impacted individual of any region where there was uninterrupted shortage for more than 24 hours, each person will be entitled to a base value, which will have an increase of 10% for each person in the family who is incapable or vulnerable. For the city of Governador Valadares, this base amount will be R\$ 1,000.00 per person. For other cities impacted by shortages, this amount will be R\$ 880.00 per person. For the purposes of payment of this compensation, the following shall be considered as 'vulnerable persons': children under 12 years of age, the elderly over 60 years, pregnant women, people with disabilities as defined

⁵ PUBLIC CIVIL ACTION I - MARIANA. "AS TO ASSISTANCE (EMERGENCY) ASSISTANCE:
ITEM 04 - SAMARCO stated that it has been supporting, following the recommendation from the Public Ministry of State of Minas Gerais, the burden of a minimum wage for each person in the family nucleus, in addition to the value of a basic basket, monetarized, per household, today equivalent to R\$ 338.00 (value of a market basket of DIEESE). SAMARCO informa that it has already done so to 252 families, whose delivery will be completed today. SAMARCO undertakes to support the above monthly allowance **for a minimum period of twelve months, regardless of the impacted one to obtain employment / occupation / income, which will agree with the author, in audience, the necessity or not of the new values and new deadline, under penalty of judicial decision.** The Public Ministry and the representatives of the impacted ones and the families agreed with the proposal, which, in this act, was homologated by this Judge".

by Law 13.146/2015 and people affected by chronic diseases"⁶ (document 04).

In order to be eligible, the affected person would have to prove residency in the impacted Municipalities, in the period of October, November and/or December of 2015. This proof was made by the presentation of the personal documents and proof of residence. An extensive list of documents is accepted by the FOUNDATION, which has been in constant updating process to cover several possible proving situations, within the reasonable limits.

With regard to the PIM-DG, the criteria and values vary according to the class of damage suffered. Isonomy is one of the pillars of the PIM, which applies the same indemnity values to those affected in the same situations.

As the compensation values are built after extensive technical studies and community participation, they are generally usually well received. In this matter, **of all the proposals submitted up to October, 22nd, 2018, only 0.88% were rejected, representing a very high approval rate.** It is also worth noting the values offered under the program have not been questioned through any public civil actions.

In general, the criteria listed by the PIM seek to bring flexibility, through the aforementioned indemnity policies. Due to the high level of informality in the affected regions, the intent is to find other methodologies to enable the indemnification of those who do not have formal documents to prove damages suffered. In common to all damages, it is necessary to prove the residence in an impacted place at the time of the rupture. As in the PIM-DA, the PIM-DG also has a

⁶ BRAZIL, Interfederative Committee, Deliberation number 29, dated 10.25.2016.

proof matrix, listing all the documents that can be admitted for proof of residence ends.

1.1.2. PROOF OF GENERAL DAMAGES

The FOUNDATION has made significant efforts to to be flexible in terms of the forms of proof of damages due to the informality in the impacted territory, as well as to ensure that the compensation proposal is fair to the people affected. It hired technical specialists from various areas and, over several months, held countless meetings with those affected and government representatives. The technical team met with those affected to collect data, conducted studies and meetings to present the methodology for calculating, discussing and reviewing the established prices.

With this, the PIM can be considered an unprecedented program in the world, which goes beyond the formal proofs required, in order to guarantee fair and fast repair. This is a huge challenge, but one that has been successful: **by October, 22nd, 2018, 7,909 (seven thousand nine hundred and nine) individual agreements have been entered into under the PIM-DG.**

After almost a year of development, the FOUNDATION was able to elaborate broad indemnity policies, allowing fair compensation to those affected who suffered damages in the economic activities of fishing, commerce, tourism and sand extraction.

1.1.3. MEDIATION PROCESS AND RESPECT TO THE AFFECTED

In the case of general damages, the PIM provides an initial meeting between the affected person and the independent mediator. During this meeting, the program fully explained and the affected

people explains their situation and losses. It is critical that the affected person has a voice in the process about his/her particular case and the operation of the program. At that moment, the affected person has a broad opportunity to provide information, interests, expectations, concordances and disagreements with their portfolio, as well as settle their doubts⁷, being all recorded in minutes.

There is a second clarification meeting so that the FOUNDATION can confirm it has all conditions to prepare a proposal, with a better understanding of the perspectives and facts related to the case of the affected. This meeting takes place with the presence of a mediator, ensuring a broad space for dialogue and exchange of views and information. The affected may also request another clarification meeting, so that he/she can bring new elements and evidences not yet listed in his/her portfolio.

At the third meeting of the Proposal, the compensation proposal is presented and described in detail to the injured party, in the presence of a mediator. It opens the widest opportunity for questioning, discussion and pointing out possible errors and inconsistencies in the proposal.

Over the history of the program, several proposals have been reworked and modified at this point in the PIM process, and in situations where there has been a gap or difficulty in applying the Matrix of Damage, the parties have jointly indentified for a new objective criterion to resolve the issue.

⁷ The portfolio is elaborated by the Integrated Registering Program, representing the basis for the recognition of the losses suffered by each individual. It is imperative to create the database that defines repair initiatives. It is through this that it becomes possible to characterize the extent of the impact for each person and to identify those affected and their material and economic damages. It is a comprehensive form that identifies material damages. The completion is voluntary and the affected one can be accompanied by lawyer or legal advice.

In case where there is no proof of the damage, but only the residence in the impacted locality, the affected person will have the opportunity to dialogue with the analysts and employees of the FOUNDATION. There is always a mediator available to assist in this communication process to solve the most difficult questions related to their procedure (questions of proof, questions of criteria, family matters, etc.).

Throughout the PIM process, affected people have the right to legal representation, should they choose it.

1.2. THE FOUNDATION'S HUMAN RIGHTS POLICY

The FOUNDATION'S Human Rights Policy (document 05) establishes its commitment to educate, promote, respect human rights in all its programs, projects and actions, as well as to prevent, mitigate and remedy any negative impacts on those rights as a result of its activities. In summary, these are principles and rules of the FOUNDATION's Human Rights Policy:

- (i)** Respect the rights of all people we deal with (employees, vendors, suppliers, partner organizations, communities and beneficiaries, representatives of civil society and public authorities;
- (ii)** Respect and value diversity, promoting equal treatment for all people with whom we interact;
- (iii)** To train employees to carry out activities in accordance with our internal human rights policy and to work together with partner organizations to ensure that our activities are carried out in accordance with human rights principles;
 - (a)** Conduct training for leaders and relationship teams, notably because of the technical advisory services;

- (b)** To interact frankly and in a culturally appropriate way with the communities affected by the rupture of the Fundão dam, guaranteeing the participation of all in the repair;
- (c)** Comply with the legislation and provide the necessary clarifications for the investigation of any allegations of human rights violations related to the programs, projects and actions of the FOUNDATION;
- (d)** Implement mechanisms to identify, prevent and mitigate potential adverse impacts of FOUNDATION activities on human rights and ensure the implementation of measures such as risk assessment of possible adverse human rights impacts of FOUNDATION programs, projects and actions.

This Policy is in accordance with TTAC Clause 223 and the FOUNDATION Code of Conduct and Ethics (document 06). In addition, human rights ensuring clauses are included in contracts signed with suppliers, reinforcing the need for the institution and its contractors to respect these rights.

To support the operationalization of its commitment to Human Rights, in December 2017, the FOUNDATION created a specific Human Rights function, directly reporting to the FOUNDATION CEO.

Guided by the Human Rights Policy, the work of the area is concentrated in four axes: **(1)** Promotion and education in Human Rights; **(2)** Prevention of negative human rights impacts: risk analysis and due diligences in FOUNDATION programs, projects and processes; **(3)** Remediation of negative impacts within programs, projects and processes; **(4)** Requests for institutional relations with international

and national organizations, civil society entities and nongovernmental organizations, social movements and public authorities.

The main achievements of the human rights area to date include: **(i)** Elaboration and approval of the FOUNDATION's Human Rights Policy; **(ii)** Training and qualification for FOUNDATION's program teams; **(iii)** Co-construction of the FOUNDATION's risk analysis matrix, from the point of view of respect for Human Rights; **(iv)** Conducting Human Rights risk analysis in programs considered as priority under the human rights point of view (Resettlement - in progress, Registration, Financial Aid, PIM, Indigenous Peoples and Traditional Communities, Health and Social Protection, Resumption of Fishing, Tailings Management **(v)** Conducting due diligence on processes related to human rights and **(vi)** Participation and follow-up of meetings of Technical Chambers of priority programs and the CIF.

In addition, internal and interdisciplinary task forces will be created on gender issues and on cases of extreme vulnerability situation, in order to build a procedure for specific and priority assistance to these groups. Finally, internal training on Human Rights is in the process of being elaborated, with the main objective of disseminating the policy and good practices to the employees and suppliers of the FOUNDATION.

ITEM 2. PLEASE PROVIDE DETAILS REGARDING THE PLANS FOR A ROBUST ASSESSMENT OF THE SOCIOECONOMIC DAMAGES SUFFERED BY AFFECTED COMMUNITIES ALONG THE ENTIRE LENGTH OF THE RIO DOCE RIVER AND WATERSHED

Since the dam failure, a range of different impact and damage assessments have been completed. Within weeks of the dam failure, Samarco commissioned two reputable international consultancies to undertake an initial assessment and mapping of damages caused by the tailings along the entire length of the Doce River. Golder Associates performed a socioeconomic assessment and Environmental Resource Management (ERM) completed an environmental assessment. The quantitative and qualitative data gathered from these two extensive field surveys helped inform the construction of the original Framework Agreement (TTAC) comprising 42 remediation and compensation programs in March 2016. It was understood at that time that further quantitative and qualitative studies would need to be undertaken over the course of the recovery process to fully understand the impacts and damages from the dam failure. Some were specifically prescribed in the TTAC such as the long-term epidemiological study and impact assessments for indigenous communities.

Since its inception, Renova Foundation has been undertaking these studies and assessments to inform the scope, design and execution of the remediation and compensation programs. As prescribed in the TTAC, these studies must be endorsed by the Interfederative Committee (IFC) and its Technical Chambers. Unfortunately some assessments and studies have been delayed for a variety of reasons. For example, the long-term epidemiological study was only approved by the IF Health Technical Chamber in late 2018 due to lack of alignment on methodology; and the Indigenous Impact

Assessment has not yet been validated by the indigenous people of Resplendor.

In addition, the Integrated Registration Program which is undertaken with input from the affected communities has been an important source of information relating to damages that occurred at the individual and family levels. All of this information is contained within the registration database and has been verified where possible. In Mariana municipality, this process was undertaken with the support of technical assistants from Caritas, an external, independent and non-profit civil society organization.

After more than two years in operation, Renova is currently in the process of consolidating all the information from the socioeconomic and environment studies completed to date in order to identify any knowledge gaps and areas where additional studies will need to take place to provide a complete picture of the impacts and damages.

Finally, the technical experts – Ramboll, Instituto Lactec and Getulio Vargas Foundation (hired by Samarco, BHP and Vale to advise the Public Prosecutors) are also undertaking comprehensive socioeconomic and environmental impact assessments which will continue over the next 2-4 years.

Ramboll was selected by the prosecutors to monitor and assess the adequacy of the FOUNDATION's programs in meeting remediation and compensation objectives. Ramboll has produced a number of preliminary reports to date. Instituto Lactec was engaged to perform the socioenvironmental diagnosis and it has already prepared a baseline report.

Ramboll and Lactec were commissioned and initiated their work in early 2017. At that time a company was also selected to undertake the socioeconomic assessment. However, following a number of meetings

between the Public prosecutors, social movements and other civil society actors, it was decided to source a non-profit entity to undertake the socioeconomic impact assessment. This process lasted for almost 12 months.

In 2018, Getulio Vargas Foundation (FGV) agreed to undertake an assessment of all socioeconomic damages resulting from the dam failure. An agreement was signed with FGV in June 2018 to undertake a 90-day preliminary assessment which included a significant amount of time in the field speaking with key stakeholders. FGV has recently submitted a full proposal to undertake a 48-month comprehensive socioeconomic impact assessment. The full socioeconomic impact assessment is scheduled to start in early 2019.

ITEM 3. PLEASE PROVIDE DETAILS REGARDING THE DELAYED RESETTLEMENT PROCESS, TIMELINE FOR COMPLETION AND PLANS TO ENSURE THOSE WHO CONTINUE TO BE DISPLACED HAVE ACCESS TO APPROPRIATE AND EFFECTIVE REMEDIES DURING THE PROTRACTED RESETTLEMENT PROCESS

The Resettlement Program, described in Clauses 76 to 78 of the TTAC, establishes several actions for the recovery, reconstruction and reallocation of the communities of Bento Rodrigues, Paracatu de Baixo and Gesteira, among which: (i) Availability of temporary housing, according to the families' needs, soon after the breakup; (ii) Right to information and participation through committees of residents of affected communities for discussions on the resettlement process; (iii) Hiring independent technical advisory services - *Cáritas Brasileira* and *State Association of Environmental and Social Defense (AEDAS)* -, which accompany affected communities in the discussions involving socioeconomic and socioenvironmental programs; (iv) Meeting the IFC/ World Bank Performance Standard 5 on Land Acquisition and

Involuntary Resettlement⁸.

The complexity of the situation requires that some references be considered not only by the point of view of resettlements, but also from environmental and human rights regulations. In this way, the program sought references in models and in the legislation itself, which could refer to the work to be implemented⁹.

In this sense, the program also seeks references in the UN recommendations, through its Adequate Housing Manual¹⁰, which proposes attention to the right to housing in the areas of infrastructure, privacy, access to services and security, in far as it intends to meet all environmental requirements and legislation in force with:

- (i)** Involvement of the competent environmental agencies in the search for sustainable solutions and guarantee of speed in the processes of resettlement licensing;
- (ii)** Conduct, together with the resettled community, environmental education work, with a view to providing conscious and responsible use of resettlement areas and
- (iii)** Implementation of environmentally sustainable infrastructure in resettlement, such as in the basic sanitation system.

In order to ensure the right to adequate and permanent resettlement of displaced families, the FOUNDATION applies the Guidelines for the Repair of the Right to Housing, agreed with the

⁸ TTAC, Clauses 76 to 78. Regarding item (ii), a working group (WG) was created, with the participation of FOUNDATION, representatives of the Municipality of Mariana, the State Secretariat of Environment and Sustainable Development (SEMAD) and the State Secretariat of Cities and Regional Integration (SECIR), which meets biweekly to discuss issues related to resettlement. About the item (iii), all work methodologies elaborated by FOUNDATION validated by the residents' committee and its respective technical advisory; (iv) the guidelines are: to predict, avoid and minimize adverse environmental and social impacts resulting from the acquisition of land or restrictions of use; carry out activities only after appropriate disclosure of information, consultation and participation of affected parties; improve or restore the livelihoods means and living standards of displaced people and improve the living conditions of the resettled.

⁹ They are references to the Resettlement Program: (i) Performance Standard 05 - IFC, World Bank; (ii) Law 10.257, Statute of Cities (07/10/2001); (iii) World Bank Operational Manual for Resettlement, OP 4.12 of DEC/ 01 and (iv) Right to Adequate Housing UN - SDH 2013.

¹⁰ UN, Adequate Housing Guide.

representatives of those affected, accompanied by their technical advisory services, MPMG and homologated by the local Judiciary Entity. These guidelines aim to guarantee not only adequate housing, but also the resumption of productive activities, ways of life and equal access to the collective assets of communities.

Thus, in order for the human right to adequate housing to be ensured, the following principles have been agreed upon which must be guaranteed by the FOUNDATION: security of tenure; availability of services, materials, facilities and infrastructure; economicity; habitability; accessibility; location; and cultural appropriateness.

These guarantees are applied to any of the 3 (three) modalities of repairing the right to housing: collective resettlement, family resettlement (assisted purchase) or financial compensation, to be defined according to the family profile and option.

3.1 PARTICIPATION OF THE AFFECTED IN THE RESETTLEMENT

The active participation of the physically displaced in the resettlement decision process began as of the second week after disruption. Such participation is one of the guaranteed guidelines in the scope of housing repair. In this direction, collective forums are held to discuss and deliberate the methodologies of choosing the areas of relocation of the new communities, neighborhood relations, location of public equipment, urban projects and all the themes inherent in the resettlement process.

The effective participation of the community in the resettlement decision-making process led, for example, the conceptual urban design of the resettlement of Bento Rodrigues (MG) to be approved by the community with 99.44% (ninety-nine and forty-four tenths percent) of

favorable votes. **Of a total of 180 (one hundred and eighty) valid votes, 179 (one hundred and seventy-nine) agreed to the proposal and only one was contrary.** The assembly also had the attendance of representatives of the state government bodies - Secretary of State for Cities and Regional Integration (SECIR) and Secretary of State for Environment and Sustainable Development (SEMAD) - of the City Hall of Mariana, City Hall, the Archdiocese of Mariana and the MPMG. As defined by the commission, the agreed minimum quorum was 75% (seventy-five percent) - which corresponds to 169 (one hundred and sixty-nine) families -, being necessary the approbation by 70% (seventy percent) of the attendees.

Currently, the families of the community of Bento Rodrigues, along with architects provided by FOUNDATION, are preparing the architectural designs of their homes based on the methodology discussed and approved by the community.

The conceptual urban design of the Paracatu de Baixo resettlement was approved with 97% (ninety-seven percent) votes. Of a total of 98 (ninety-eight percent) valid votes, 95 (ninety-five percent) families agreed with the proposal. As defined by the Affected Commission, the meeting could only be held with a minimum quorum of 70% (seventy percent) of the eligible families. To be approved, the bill would require at least 80% (eighty percent) of those attendees. The result reveals, therefore, the intense participation of those affected in the decision-making process regarding their future resettlement.

For the design of the urban project, the FOUNDATION followed the guidelines pointed out by the community during a listening process that involved the Committee of Affected and Technical Assistance, Cáritas, with the intermediation of MPMG.

The methodology establishes a connection with the previous way of life and the necessary habitability for the family core that will reside in the dwelling. In addition, the choice of finishing is performed by the family in order to ensure satisfactory care for those affected. Each house will be built according to the design made by each family, guaranteed constructive standards of quality and according to specific technical standards of the area.

The Working Group (WG) constituted in Mariana is a space of collective construction and resolution of obstacles, with important advances achieved by those affected - protagonists of the reparation process - and by the joint effort of the other actors involved. The WG holds bi-weekly open meetings that count on the systematic participation of those affected and their technical advice, representatives of the Municipal and State Executive Power, as well as the City Council and other public entities. These meetings are important moments of open and transparent debates, as well as the presentation of doubts and demands, as well as the resolution of pending issues among affected communities.

3.2. RESETTLEMENT GUIDELINES

Those affected and the MPMG requested that the commitments undertaken by the FOUNDATION be homologated in the scope of Public Civil Action nº 0043356-50.2015.8.13.0400 (ACP I MARIANA). On the beginning of 2018, the first general guidelines for resettlement were approved, as follows:

- (i)** Ensuring the effective participation of those affected in all stages of resettlement and reconstruction;

- (ii)** Guarantee of access to free and prior information to those affected for proper decision-making in the process of resettlement and reconstruction, with the support of their technical assistance whenever demanded by the family;
- (iii)** Ensure that decisions related to collective and family resettlement are taken at meetings in the Municipality of Mariana, with the possibility of broad and effective participation of those affected, including deliberative;
- (iv)** Structuring a governance to monitor resettlement actions involving state and municipal executive bodies, FOUNDATION, Technical Assistance, MPMG and with the free participation of those affected;
- (v)** Guarantee of respect for the United Nations (UN) guidelines for decent housing, with the effective participation of the family in the definition of the projects of their residence according to rules and procedures to be jointly constructed;
- (vi)** Guarantee of compliance with the guidelines for resettlement and reconstruction already defined by affected communities, regarding respect for neighborhood relations and other criteria agreed upon and recorded in minutes of meetings with the FOUNDATION;
- (vii)** Commitment to support the restoration of living conditions, guaranteeing families a new and adequate housing, support for the establishment of conditions for the resumption of economic/productive activities, coexistence in community, etc., through construction of a new settlement, reconstruction in the area of origin or other housing solution more suitable for the family (assisted purchase), without possibility of exchange of the resettlement area with the original property impacted. Eligibility for each care alternative will follow criteria to be built together;

(viii) Guarantee of pecuniary indemnity of the parcels of lands impacted by the mud or the replacement by another rural property of his/her choice of equal or greater size, in order to guarantee the maintenance of the productivity in the same way previously practiced. Any and all pecuniary indemnity will be based on the data collected in the registration process;

(ix) Guarantee of those affected by other rural communities who meet one of the following criteria: compulsory physical displacement, structural movement of the building, uninhabitable and/or community isolation, choose to rebuild in the same community or resettlement in other areas (assisted purchasing). The application of the criteria in situations that need to be studied in depth, will be the target of work after the conclusion of the process of registration of those affected by Mariana.

In the following months, a number of discussions were held on the other guidelines that should be agreed upon and which have so far resulted in 79 (seventy-nine) guidelines approved by ACP I MARIANA (docs. 09 to 11). In addition, on April, 11th, 2018, 12 (twelve) general parameters were agreed for the resettlement of Gesteira, located in the Municipality of Barra Longa. They are:

1. Having ensured the access to information and to effective participation of families involved in planning, decision-making and resettlement conduction;
2. Ensuring the reproduction of community lifestyles;
3. Ensuring the improvement of community living conditions;
4. Guarantee to continue with the old land domain;
5. Compensation for collective losses: space for socialization and coexistence;
6. Consider the project of life of those affected;

7. Be close to the community of Gesteira;
8. The right to quality and sufficient water for human consumption, animal consumption, agricultural production and fish production;
9. The size of the land must guarantee the continuity, sustainability and viability of the social and economic activities of the community;
10. Replacement of collective spaces: Church, School, Community Hall, Football Field, Women's Association Space;
11. The land to be acquired must not have legal / administrative ownership pending of the land so that the acquisition is not impaired and
12. Guarantee of accessibility in collective and individual spaces, guaranteeing quality of life in economic and social relations according to the way of life of families.

3.3. RESETTLEMENT STATUS

After clarifying the resettlement of the Bento Rodrigues, Paracatu de Baixo and Gesteira communities, the status of resettlement in these communities is set out below, contemplating the actions already completed and actions still in progress. Let's see:

(A) BENTO RODRIGUES

✓	✓	✓	✓	✓	→	→
CHOOSING THE AREA	PURCHASING THE AREA	APPROVING URBAN PLAN	LICENSING	VEGETAL SUPPRESSION	INFRASTRUCTURE PREPARATION	HOUSING PROJECT C

(B) PARACATU DE BAIXO

✓	✓	✓	→	→	→	→
CHOOSING THE AREA	PURCHASING THE AREA	APPROVING URBAN	LICENSING	VEGETAL SUPPRESSION	INFRASTRUCTURE PREPARATION	HOUSING PROJECT C

completion of the work, a survey is carried out on the property together with the family and/or responsible person, whose objective is to verify compliance with the agreed scope. In case of agreement of the affected ones on the repairs carried out, a delivery term of the work signed by the responsible person and the representative of the FOUNDATION is generated.

After completing this process, in order to ensure that the repair of housing is satisfactory, an independent audit is carried out to verify the quality, fulfillment of the scope and contentment of the family. **Currently, 102 (one hundred and two) housing repairs have been completed and 62 (sixty-two) repairs are in progress.**

3.5. RENTAL OF PROVISIONAL HOUSES

With regard to the payment of rent to the affected until the new housing and/or repair of the houses are made available, **FOUNDATION has been covering the expenses with rent, water and difference in electric energy tariff of temporary housing to 369 (three hundred sixty-nine) family cores in the municipalities of Mariana and Barra Longa.** For those who have chosen to temporarily reside in properties conceived by relatives or owned, a financial compensation is made available. Finally, in regard to the added costs with the new housing, the deadline and the way in which they will be funded by the FOUNDATION is still under discussion.

ITEM 4. PLEASE PROVIDE INFORMATION REGARDING THE ALLEGED CONTAMINATION OF WATER WITH HAZARDOUS SUBSTANCES AND MEASURES TAKEN TO ADDRESS THIS CONTAMINATION

Tailings are the treated residue of the material extracted from the mining. In the Fundao dam the tailings comprise predominantly iron and silica particles which were mixed with the soil of the region. The components of the tailings are non-toxic, as they essentially contain soil elements (iron, manganese and aluminum), silica (sand) and water, according to geochemical characterization report for tailings, soils and sediment (document 12).

Since June, 11, 2016, extensive **monitoring actions** have been carried out throughout the impacted fluvial system. Initial monitoring indicated a high concentration of heavy metals in the water shortly after the tailings plume, due to the suspension of the sediments deposited at the bottom of the rivers, from the informal occupation and economic exploitation of the Rio Doce basin (document 13).

Among the emergency actions carried out at the time, water capture was interrupted in all the localities where the water supply systems used the Rio Doce water, as a preventive measure. When possible, captures were changed to other sources, and, if there was no other alternative of capture, drinking water was distributed to the population.

It should be noted that high concentrations were detected only during the tailings plume. The latest monitoring results indicate that concentrations are approaching the levels already observed historically for most of the evaluated parameters. Some parameters, especially turbidity, which can be associated to the tailings, are still above historical values.

4.1. MONITORING PROGRAM

Emergency monitoring was carried out until the start of the Qualitative and Quantitative Systematic Water and Sediment Monitoring Program ("PMQQS") in July, 2017. The PMQQS was developed based on the requirements of the Technical Chamber on Water Safety and Water Quality (CT-SHQA), coordinated by ANA and with the participation of other environmental agencies, such as IBAMA, ICMBio, IGAM, IEMA and AGERH, as well as the Doce River Water Basin Committee, representing the Municipalities affected.

The goal of the program is to monitor, over time, the recovery of the Doce River basin and adjacent coastal and estuarine areas, as well as the effectiveness of the permanent interventions carried out, through a systematic evaluation of water quality and sediments. In all, **92 (ninety-two) monitoring points** were implemented, being 42 (forty-two) along the Doce River and tributaries, 14 (fourteen) in lagoons and 36 (thirty-six) in the coastal and estuarine zones, covering the central region of Espírito Santo to the South of Bahia.

The water samples are monthly collected and sent for analysis in laboratories that are certified by the National Institute of Metrology, Standardization and Industrial Quality (INMETRO), in accordance with the Brazilian Technical Standards Association ABNT NBR ISO/IEC 17025: 2005 - which deals with the accreditation of calibration and testing laboratories. The methodology for collecting and preserving the samples follows the requirements set forth in ANA's National Sample Collection and Preservation Guide and laboratory test methods are based on internationally recognized procedures, such as the Standards for the Examination of Water and Wastewater (APHA) and United States Environmental Protection Agency (USEPA).

In addition to the laboratory analysis, the **PMQQS has 22**

(twenty-two) real-time points automated monitoring in the rivers of the Doce River basin, through a fixed structure at the measurement site, with equipment that measures water level and parameters standards such as rainfall and air temperature. Thirteen of these points are equipped with a turbidimeter and 8 (eight) points are equipped with multiparameter probes, which verify parameters of water quality (pH, dissolved oxygen, conductivity, turbidity, water temperature and the presence of microorganisms).

Data measured by these stations are stored in a datalogger and sent via telemetry to the database at one hour or half hourly intervals, depending on the form of transmission (satellite or 3G telephony network). These data are shared in real time with the constituent organs of CT-SHQA and the parameters considered for the establishment of alert levels (dissolved oxygen, electrical conductivity and turbidity) can be visualized in the PMQQS interactive panel on the ANA portal¹². Thus, the aforementioned automatic monitoring stations comprise a vigilance and alert system to subsidize the preventive planning of the water supply systems of the Municipalities and direct actions to monitor the water quality of the Doce River.

In June, 2018, the first PMQQS Partial Report was approved, which contains a simplified assessment of surface water quality at 29 (twenty-nine) monitoring points in the Gualaxo do Norte, Carmo and Doce rivers, presenting the results of 15 (fifteen) parameters of interest of the monthly collections carried out in the period from August, 2017 to January, 2018 (document 14).

Based on the first six months monitored in the PMQQS, it was concluded that there is a seasonal variation of the parameters

¹² Available on the link <http://www3.ana.gov.br/portal/ANA/sala-de-situacao/rio-doce/rio-doce-saiba-mais>. Accessed on 11.27.2018.

analyzed, with higher concentrations in the rainy season, more specifically in December/2017. Among the metals and metalloids analyzed, the elements total mercury and total cadmium were not quantified in any of the three evaluated rivers, as well as the dissolved copper in the Gualaxo do Norte River. There were registered violations of CONAMA Resolution 357/2005 for Sweet Waters - Class 2 for metals dissolved iron and total manganese in the three rivers monitored, aluminum dissolved in the Carmo and Doce Rivers and total zinc and total lead only in Doce River. The arsenic metalloid total was quantified in concentrations higher than the legal limits only in the Gualaxo do Norte River.

It should be noted that the results for most of the parameters evaluated indicate a trend to approximate the historical values observed in the IGAM monitoring. This Institute has been monitoring water quality in the Doce River basin since 1997, in 65 points, of which 14 are coincident with the PMQQS points. IGAM's monitoring actions were intensified after the Fundão dam disruption and the latest results released also indicate an approximation of historical concentrations.

Thus, high concentrations of heavy metals such as total cadmium, total chromium, total nickel, total mercury and the total arsenic metalloid were detected only at the time of the tailings passage, in the first semester of the emergency monitoring initiated shortly after the rupture.

4.2. PROGRAM OF SUPPLY SYSTEMS IMPROVEMENTS

The Supply Systems Improvement Program, provided for in Clause 171 of the TTAC, has as main objective to provide conditions for the supply of water in the Municipalities that are within the standards of potability according to Health Ministry.

It is about the feasibility of alternatives for capture and water supply, aiming at reducing dependence on the Doce River, as well as promoting improvements to water treatment systems in the municipalities and districts which had their public supply system temporarily unavailable due to the disruption of the Fundão dam. We present, at this very opportunity, a document evidencing the actions of improvements carried out by FOUNDATION in the municipal water supply and water supply systems (document 15).

ITEM 5. PLEASE DESCRIBE THE MEASURES WHICH HAVE BEEN PUT IN PLACE TO FULLY INVOLVE THE AFFECTED COMMUNITIES IN THE CONSULTATION PROCESS AIMED AT ADJUSTING THE EXISTING REMEDY MECHANISMS

The FOUNDATION understands that the repair process is only effective **when the affected people and other stakeholders have their interests, expectations and needs respected and incorporated.** In this way, the participation of the population takes place in a complex context, with a great variety of actions being implemented simultaneously, in 44 (forty-four) Municipalities, as well as involving a diversity of actors and institutions.

Since November, 2015, there has been remained an open dialogue with those affected and other stakeholders in the territories, especially with local leaders, representatives of community associations and specific groups and representatives of the Government Entities, seeking to promote transparency, participation and social control in the processes and projects foreseen in the TTAC.

The Federal Prosecutors' Office in Brazil was not a party to the original Framework Agreement (TTAC) in March, 2016, however following extensive negotiations, in January, 2017, they joined with BHP Billiton Brasil, Vale and Samarco (the 'Companies') entered into a Preliminary Agreement (TAP).

The Agreement outlined the process and timeline for further negotiations towards a settlement regarding the R\$20 billion (approximately US\$6.1 billion) public civil claim and the R\$155 billion (approximately US\$47 billion) Federal Public Prosecution Office claim relating to the dam failure.

The TAP also provided for the appointment of experts to advise the Federal Prosecutors on social and environmental remediation and the assessment and monitoring of the programs under the Framework

Agreement. The expert advisors' conclusions will be considered in the negotiation of a final settlement arrangement with the Federal Prosecutors.

Negotiations continued during 2017 in an effort to also rethink the governance model to provide more prominence to the affected persons in the management and monitoring of the repair actions, in addition to improving control over the programs, providing more transparency, inclusion, accountability, efficiency and effectiveness.

In November, 2017, an addendum to the TAP was executed, establishing the providing of technical assistance to people in all the affected communities, enabling them to participate in an informative manner in the management and social control of the recovery actions as well as the prior consultation process with the indigenous peoples and traditional communities.

During January and February, 2018, the Public Prosecutors Office undertook a formal consultation process with affected communities along the Doce River to seek feedback on the draft TAC-Governance document. The report the consultation process was used to further inform and amend the agreement. During this period, the Renova Foundation Advisory Council (a mechanism for participation of civil society) also provided inputs in the negotiations representing the interests of their constituents.

In June, 2018, the TAC-GOVERNANCE agreement was signed between all the parties to the original TTAC and the Public Prosecutors Office. This agreement will significantly enhance community participation in decisions related to the remediation and compensation programs under the Framework Agreement and establishes a process to renegotiate those Programs over two years and to progress settlement of the BRL155 billion Civil Claim.

During the two-year period, the parties will work together to design a single process for the renegotiation of the Programs and progress settlement of the BRL155 billion Civil Claim. The renegotiation process will consider the principles and rules established under the Framework Agreement, and will be aimed at improvement of the Programs, with the involvement of the affected communities.

The renegotiation of the Programs will be based on certain agreed principles, such as full reparation consistent with Brazilian law, the requirement for a technical basis for any proposed changes, the findings of the socioeconomic and socioenvironmental experts appointed by both the Companies and the Prosecutors, and consideration of the feedback from the Local and Regional Commissions.

During the renegotiation period and up until revisions to the Programs are agreed, the Renova Foundation will continue to implement the Programs in accordance with the terms of the Framework Agreement and the Governance Agreement.

The changes promoted by the TAC GOVERNANCE reorganize the format and territorial distribution of the representation of the affected people and other interested parties. The model that is being constructed represents a new management process, based on the integration and territoriality of the actions, guided according to the local context and with the involvement of the affected communities. Clause Four of the TAC GOVERNANCE affirms that *"To the impacted people is guaranteed the right to participate in the governance of the process of complete reparation of the damages resulting from the FUNDAÇÃO DAM BREAK, in the various decision-making and advisory bodies related to it, under the terms established in the TTAC and in this AGREEMENT"*. Its first paragraph further defines that *"the forms*

and mechanisms of participation of the people affected in the governance of the integral reparation process shall be debated and decided by them after the effective implementation of the local commissions of affected people and of the TECHNICAL ADVISORIES".

The TAC GOVERNANCE, also introduces support for all impacted communities by technical assistance entities, financed by FOUNDATION and with the consent of the Public Prosecutor's Office. Currently, the affected communities are finalizing the process of choosing their Technical Assistant organisation, with the support of the Brazil Fund of Human Rights (Fundo Brasil), which is responsible for the hiring. The definitive list of accredited organizations to participate in the process of choosing the technical advisory services to those affected by the rupture of the Fundão dam was announced on September, 14th, 2018. From there, communities will choose which organization will be responsible for each Local Commission.

The databases and direct and indirect information produced and approved by FOUNDATION are broadly and unrestricted ensured to the Public Ministry, Public Defenders and other authorities, preferably in electronic media, which demonstrates the transparency with which the activities of the Foundation are conducted and the broad and unrestricted access offered to public entities¹³.

The TAC GOVERNANCE foresees the existence of Local Commissions, formed voluntarily by affected persons, who live in affected areas and/or suffered damages in their economic activities related to the scope of the respective committee, representing *"legitimate interlocutors in matters pertaining to participation and governance of the process of complete reparation of the damages*

¹³ In these terms, the TAC GOVERNANCE has, in its GENERAL PRINCIPLES, that "SECOND CLAUSE. III - the transparency in the diffusion of information about the actions of integral repair in the context of repair of the effects of the FUNDÃO DAM RUPTURE; VII - broad and suitable access to information;"

resulting from the RUPTURE OF FUNDAÇÃO DAM", including the committees of the indigenous communities, whose constitution will be supported by FUNAI.

In addition, the FOUNDATION and the Local Commissions, with the support of the Technical Chambers, will adjust the execution of the programs foreseen in the TTAC according to the local verified circumstances, without this implying in modification of the instrument, noncompliance with the current legislation or the deliberations of the CIF.

The TAC GOVERNANCE also establishes the creation of **(i)** Regional Chambers, to organize the participation of Local Commissions and to represent a new participatory decision-making entity, as well as monitoring the implementation and preparation of proposals related to the revision of TTAC regulations and **(ii)** Observers Forum, composed by representatives of civil society, academic groups, indigenous communities and affected people, of an advisory nature, to monitor the execution of the programs conducted by FOUNDATION and to analyze the results of the diagnoses and evaluations prepared by the Public Ministry.

Although the TAC GOVERNANCE is in the implementation phase, it should be pointed out that in some thematic areas and in some Municipalities, social participation and stakeholder engagement actions have already achieved more expressive results.

Among these experiences, we highlight the collective resettlement of the communities of Bento Rodrigues, Paracatu de Baixo and Gesteira, where a strong dynamic of dialogue, participation, social control and decision-making has been instituted, led by those affected. In terms of the representation of those affected, the Municipalities of Mariana and Barra Longa already represent a model similar to that one

formalized by the TAC GOVERNANCE, with the existence of commissions of affected, opportunities of social engagement and acting technical advisory, chosen by the commissions of affected: Cáritas in Mariana, AEDAS in Barra Longa and Rosa Fortini in Doce River and Santa Cruz do Escalvado.

On the other hand, the elaboration of the diagnoses and the construction of the repair plan for the Quilombo do Degredo Community in Linhares (ES) are relevant examples of the engagement of traditional peoples and communities in the decision-making processes and in the social control over the performance of the FOUNDATION, with the participation of the Palmares Cultural Foundation (FCP) and FUNAI (Brazilian regulator on Indigenous peoples).

In addition to the mentioned examples, there are innumerable interactions with stakeholders on a daily basis, to receive concerns and demands, social listening and to understand specific situations, to provide and feedback on requests. As of September, 30th, 2018, 2,918 (two thousand, nine hundred and eighteen) meetings were held throughout the territories. These forums are important spaces for exchanging information, receiving demands, decision-making and solving the pendings with communities.

The expansion of the presence of those affected in the governance system of the FOUNDATION is more than welcome. The FOUNDATION always defended that the communities were part of the decision-making process of the repair. Those affected always had a voice, but now they have a vote. This is a step forward with regard to the human rights to participation, since this participation of those affected is elevated to a higher level of power, which is deliberation. In representative democracy, direct participation is the most improved

level of participation.

ITEM 6. PLEASE EXPLAIN HOW THE AFFECTED COMMUNITIES HAVE BEEN ENGAGED IN A MEANINGFUL PROCESS OF PARTICIPATION AND CONSULTATION ON THE PARTICIPATORY MECHANISM TO BE ESTABLISHED BY THE NEW SETTLEMENT AGREEMENT

As described in Question 5, the voice of the affected communities has been incorporated in the development of the new TAC-Governance agreement through two formal process. Firstly, through the formal consultation process undertaken by the Public Prosecutors Service during 2018 and ongoing engagement between the prosecutors and their constituents. The other mechanism has been through Renova's Advisory Council which is the means by which civil society informs Renova about the views of the affected people.

A key component of the TAC-Governance agreement (informed by affected people) is the appointed of Fundo Brasil to design and execute a process that enables communities to appoint Technical Assistant organizations. Fundo Brasil has initiated this work and it is expected that these organizations will be operative in early 2019.

One of first tasks of the Technical Assistants will be to create and manage up to 19 Local Community Committees and 5 Regional Chambers. An outline of the new governance arrangement is below, showing the increased representation of affected people in the governance and decision-making process as described in TAC-Governance.

6.1. RENOVA GOVERNANCE BODIES

Directors of Renova Foundation Board must act in the best

interests of the Foundation. Currently, the Board comprises 7 members, with 6 appointed by BHP and Vale and one by the Inter-Federative Committee (IFC). Samarco does not appoint Board directors while it is unable to fund Renova. In TAC-Governance, the Board was expanded to include 2 affected people (or their representatives), appointed by the Regional Chambers.

Renova's Executive Team manages the day-to-day operations of the Foundation. The team comprises the CEO, Roberto Waack, and four directors – Programs, Infrastructure, Planning/Management and Institutional Relations.

The purpose of the Inter-Federative Committee (IFC) is to guide, follow-up, monitor and supervise the execution of the FA programs and to ultimately decide when the TTAC objective has been met. Originally the IFC comprised 12 representatives from government agencies. In TAC-Governance, it was expanded to include 3 affected people (or their representatives) nominated by them and one representative nominated by the Public Defense Office.

The IFC is supported by 11 Technical Chambers (TCs) made up of specialists from the various government departments. TAC-Governance includes the appointment of one full member each by the Public Prosecutors and the Public Defense office and 2 full members by affected people to each chamber. Affected people can also participate of the meetings with support of technical advisory if appropriate.

The Advisory Council is a mechanism for participation of civil society (including academics, NGOs and the Watershed Committee of Doce River (CBH-Doce) in the Foundation. It has 17 members which, post- TAC-Governance, include 7 affected individuals appointed the Local Commissions, 2 NGOs (one appointed by the IFC and one by Public Prosecutors), 3 representatives from academic institutions (1

nominated by Renova, 1 by IFC and one by Public prosecutors) and 2 human rights experts (1 nominated by Public Prosecutors and 1 by Public Defense office).

TAC-GOVERNANCE requires the establishment of up to 19 Local Commissions to enable affected people to submit proposals, recommendations and comment on the work of the IFC, the TCs and Renova. The Commissions will be composed of affected people who live in the affected municipalities, who will self-organize with the support of their technical advisors. Participants in the Local Commissions will be offered training to enable them to actively participate in the governance process.

Up to 6 Regional Chambers will be formed to act as forums for discussion, participation and dialogue with Renova. The Chambers may propose changes and modifications to the FA programs by mutual agreement Renova. The form of participation of the affected people in the regional Chambers will be defined by the affected people themselves.

Prosecutors Experts have been contracted to provide technical advice to the Public Prosecutors. Lactec is undertaking an environmental impact assessment; Getulio Vargas Foundation (FGV) will undertake a socioeconomic impact assessment; Ramboll is assessing the quality of the Renova programs and Fundo Brasil is supporting affected communities to identify technical assistance organizations to facilitate their participation in the remediation and compensation programs.

The Forum of Observers is an advisory mechanism of social participation and control, whose purpose is to monitor the work and analyze the results of the diagnostics and evaluations carried out by the Public prosecutors experts. It is composed of 12 representatives of

the civil society, academic groups, affected people and traditional affected people and communities, appointed by the Public Prosecutors.

The General Ombudsman is accountable for implementing a grievance mechanism, and hearing complaints and grievances that cannot be resolved at the local level. The Ombudsman is chosen by an open selection process and must not have professional or personal relation with BHP, Vale or Samarco.

The Independent Auditor (currently EY) exercises control over the accounting, financial and main activities of Renova including monitoring of the FA programs. It produces half year detailed reports that are submitted to the IFC, Technical Chambers, Public prosecutors, Public Defense Office and local Commissions.

The Compliance function is accountable for implementing and overseeing anti-corruption controls. The Compliance manager is appointed by management but reports to the Board. From the introduction of FA 1,.1 the Compliance area issues semi-annual reports which are sent to the IFC, Public Prosecutors, Public Defense Office and the independent auditors.

The Fiscal Council is responsible for supervising the management and assessment of the financial statements. Renova Foundation, Samarco, BHP, Vale and the Government are all entitled to nominate representatives to the Fiscal Council.

The Doce River Panel was established by the International Union for Conservation of Nature (IUCN) in October, 2017, following a recommendation from BHP. The panel includes seven internationally recognized environmental and social experts who review and advise Renova Foundation on material sustainability issues relevant to the recovery of the Doce River. The Panel is chaired by Yollande Kakabadse (former head of WWF International).

ITEM 7. PLEASE PROVIDE INFORMATION ON REPARATION MEASURES FOR INDIGENOUS, FISHING AND OTHER TRADITIONAL COMMUNITIES IN THE AFFECTED AREA

7.1. INDEMNIFICATION POLICIES: FISHING

The FOUNDATION has developed indemnity policies for fisherfolk and continues to explore methodologies that will enable those affected to be indemnified even without documentary evidence of the damages suffered and the legitimacy of the indemnification required. It is about something unprecedented in the country and perhaps in the world. As it could not fail to be, to the victims are given the possibility to choose to adhere to the indemnity policies or to prove the damages suffered, in the way that best suits them..

The fishing indemnity policies are divided into categories: **(i)** professional fishing; **(ii)** unregulated commercial (informal) fishing; and **(iii)** subsistence fishing. All fishermen of these activities are recognized as affected, as long as they prove their category of identification and place of residence at the time of the rupture of the dam.

The professional fishing activity, as the name itself suggests, is carried out by the regular professional handcraft fisherman, identified according to the General Register of the Fishing Activity (RGP) - established by Decree-Law number 221/67, validated for years by the different management bodies of fishing the and ratified by Law number 11.959 / 09 ("Fishing Law"). **The number of fishermen who entered into agreements on the basis of this policy by 10.22.2018 amounts to 1850 (one thousand eight hundred and fifty).**

The non-regularized commercial fishing activity covers commercial fisherfolk who practice fishing and sell their catch, but do not have the official permission of the government to do so i.e. they do not have the formal documentation of the regularized professional fisherfolk. These fishers have other documentation and specific permits that prove the fishing activity, such as amateur fishing license, IEF license, IBAMA license, among others. Even though it is considered an irregular activity before the legal norms, this group represents a great contingent of fisherfolk affected in the surroundings of the Doce River. **The number of fisherpeople who entered into agreements on the basis of this policy until October, 22nd, 2018 amounts to 477 (four hundred and seventy-seven).**

Lastly, subsistence fishing activity is carried out for the purpose of domestic consumption or trade, without profit, in which fishermen use equipment provided for in specific legislation. It is an activity that aims to guarantee the food security of the individual and his/her family. **The number of fishermen who entered into agreements on the basis of this policy until October, 22nd, 2018 amounts to 4,699 (four thousand, six hundred and ninety-nine).**

In 2019, a pilot project "Defacto Fishers" is planned to further assess alternate methodologies to compensate other categories of fisherfolk. This will complement the eligibility criteria for professional fishing policy, which aims to recognize fishermen who practiced handcraft fishing, but do not have the means to prove the trade, a fact that is due to the high informality of the fishing industry in Brazil.

The methodology of recognition was built in several meetings with fisheries experts from FOUNDATION, technical team of the Mediated Indemnity Program (PIM) and the Fisheries Program, members of the Advisory Council - some of them, the affected ones themselves -, and

members of CTOS who represent fishing by the Federal Government. At these meetings, the eligibility criteria and analysis procedures for the recognition, as professionals, of the fishermen who lived on the commercialization of the fish were discussed.

The pilot's execution will begin with the community visits in Regência and Povoação, in Linhares, in Espírito Santo State, and later in Conselheiro Pena, in Minas Gerais State. This will be the moment to gather relevant information about handcraft fishermen and their fishing routines in each of the localities and map the profile of the fishing communities for the construction of cartography of the local fishing chain, which may help the FOUNDATION in the re-adaptation of existing policies and in the development of future policies.

A second moment will be a listening process through individual assistance, where about 300 (three hundred) fishermen who have not yet been compensated from the communities of the pilot project will be invited to describe their fishing routine. These testimonials will be recorded in audio and video, allowing a careful analysis based on the information obtained in the community initiatives.

After the conclusion of the collective and individual stages, all data collected will be analyzed and the affected pilot participants, if considered eligible as "Defacto Fishers", will be served by the individual repair program of the FOUNDATION. If successful and the methodology is approved by the FOUNDATION Governance, it will be replicated in all the fishing communities along the channel of the Doce River and all considered eligible will be served.

7.2. MEASURES TO REPAIR AND COMPENSATE INDIGENOUS COMMUNITIES, "QUILOMBOLAS" AND OTHER TRADITIONAL COMMUNITIES AFFECTED

Among the programs foreseen in the TTAC regarding the protection of traditional peoples and communities impacted by the rupture of the Fundão dam, we present below the provisions contained in Clauses 39 to 53 of the TTAC and the related actions that are being conducted by FOUNDATION.

The FOUNDATION has specific programs to restore the quality of life of Indigenous peoples and traditional communities. Currently, indigenous people receive monthly emergency financial assistance, while technical studies are being completed to identify, size and quantify impacts. Once there is an impact definition, structuring actions will be initiated with the objective of overcoming the emergency phase.

Regarding the traditional communities, the Degredo/ES “quilombolas” are served through emergency financial aid. The technical studies have been completed and validated by the community and Cultural Palmares Foundation (FCP), and it is expected that there will be a structured action plan defined in the coming months.

7.2.1. PROGRAM FOR THE PROTECTION AND RECOVERY OF THE QUALITY OF LIFE OF INDIGENOUS PEOPLES

The Program for the Protection and Recovery of the Quality of Life of Indigenous Peoples foresees that the FOUNDATION shall provide specialized assistance to the indigenous peoples of the Indigenous territories of Resplendor, Comboios, Tupiniquim and Caieiras Velhas II. Such specialized assistance should respect the proper forms of social organization, behaviors, uses and traditions of indigenous peoples, under the supervision of FUNAI¹⁴.

¹⁴ FUNAI is the official indigenist branch of the Brazilian State and linked to the Ministry of Justice, is the coordinator and main executor of the indigenist policy of the Federal Government. Its institutional mission is to protect and promote the rights of indigenous peoples in Brazil.

In summary, the program aims to carry out mitigation and repair of impacts in a way that respects and guarantees various civil and political rights of these peoples, respecting their specificities. In this sense, dialogue and the holding of free, prior and informed consultations are permanent, ensuring that indigenous law is respected according to a specific convention.

Soon after the Fundão dam broke, FUNAI, together with indigenous communities, sought to dialogue with companies VALE S.A., BHP BILLITON BRASIL and SAMARCO on the emergency needs of impacted communities.

The first people to mobilize were the indigenous people from Resplendore, in November, 2015, following a demonstration that blocked the Vitória-Minas Railroad, a railway that flows the production of one of Samarco's mining companies. Following a negotiation between VALE and Indigenous leaderships of Resplendor, accompanied by the Regional Coordination and Specialized Federal Prosecutor's Office of FUNAI, a package of mandatory measures was described in minutes, in November, 16th, 2015, as an emergency support to the indigenous people affected.

The measures include financial support, water supply, purchase of goods for subsistence and care of livestock.

In the post-disruption emergency phase, some actions were distributed between VALE and SAMARCO. The latter was responsible for ensuring supply with drinking water, raw water and bottled mineral water. VALE was entrusted with the other obligations described in the minutes, such as: **(i)** financial repayment in the amount of 9 (nine) minimum monthly salaries for each family; **(ii)** 840 (eight hundred and forty kg) of feed, 2.4 tonnes (two and four tenths of tons) of silage and 75 kg (seventy-five kilograms) of mineral salt per month per

livestock family, **(iii)** installation (8 km) of fences for the protection of livestock, **(iv)** two (2) pulp-powered vessels for community use, and **(v)** repair engineering on water delivery routes.

As of April, 2018, the obligations previously assumed by VALE and SAMARCO in regard to the Indigenous peoples of Resplendor were fully complied with by the FOUNDATION, based on Clause 43, items I and II, of the TTAC.

Based on Convention 169 of the International Labor Organization, the FOUNDATION established, along with the Tupiniquim and Guarani Indigenous, a routine of dialogue in order to lead the indigenous in the process and engagement. The action aimed to facilitate access to information, participation and decision making from the indigenous perspective. As a result of routine dialogue visits, thematic working groups were created, at the suggestion of indigenous people. These groups work on issues such as vulnerability, health, water quality, indigenous culture, childhood and youth, productive potential and indigenous entrepreneurship.

In March, 2016, FUNAI issued a Term of Reference for the Execution of Studies for Indigenous Component (ECI) aimed at the Indigenous peoples of Resplendor and Tupiniquim and Guarani. Out of these, only the ECI referring to Tupiniquim and Guarani is on progress, with completion expected in July/2019. As for the indigenous people from Resplendor, FOUNDATION still awaits the authorization of these indigenous people to start work.

ECI are instruments that detail the social, economic, environmental and cultural characteristics of lifestyles while analyzing the impacts caused by the disruption. In the absence of the conclusion and validation of the mentioned impact studies, the FOUNDATION sought other validated studies in the same territory to verify if the

emergency assistance currently implemented meets the expectations regarding maintenance of subsistence¹⁵.

7.2.2. PROGRAM FOR THE PROTECTION AND RECOVERY OF THE QUALITY OF LIFE OF OTHER PEOPLES AND TRADITIONAL COMMUNITIES

The general objective of the Program for the Protection and Recovery of the Quality of Life of Other Peoples and Traditional Communities is to mitigate, repair, recover and compensate for the identified social, economic, environmental and cultural impacts, as well as to promote the integrated development of traditional communities directly or indirectly impacted by the rupture. Specific objectives include: **(i)** identifying and engaging the communities and traditional families directly and indirectly impacted; **(ii)** create Dialogue Channels with impacted traditional communities; **(iii)** carry out Participatory Impact Studies and prepare an Environmental Basic Plan; **(iv)** to monitor and follow-up traditional communities and families impacted within the specific scope of the program, and **(v)** to strengthen socially and culturally these peoples through structuring and intersectoral actions.

The FOUNDATION has sought along to the Federal Public Ministry (MPF), the Federal Union and the States of Minas Gerais and Espírito Santo, for the identification and recognition of the mapped communities, as well as has been mapping according according to the regulations of OIT 169. So far , “quilombola” and “faiscadores” communities are served.

The “Quilombolas”, in addition to fish, make use of poultry,

¹⁵ The FOUNDATION sought in the ECI carried out by the company ComtextoContexto for VALE under LOC 967/2010 regarding the Vitória Minas Railroad (EFVM). The indigenous people from Resplendor and Tupiniquim Guarani ECIs were completed in December, 2012, and filed at FUNAI, which means, 35 months prior to the rupture of the Fundão dam.

agriculture, livestock, pork and sheep, and the protein sources are complementary. In December, 2016, the FCP recognized and certified the Community of Degredo, in Linhares, as a “Quilombo”, lacking the specific treatment.

Based on this recognition, a Term of Reference was established for the contracting of consulting services to carry out a Quilombola Component Study (ECQ). On June, 5th, 2017, the meeting of the presentation of this consultancy was held by FCP. At the occasion, which was also attended by the Civil House of the Presidency of the Republic and the FOUNDATION, the Program for the Protection and Recovery of the Quality of Life of Traditional Peoples and Communities was presented and it was decided to structure a routine of dialogue and groups of work for emergency treatment. In April, 2018, the ECC of Degredo in Linhares was completed and validated.

The “fiscadores” gold diggers are groups of people living in predominantly urban areas. Thus, without prejudice to their own traditions and culture, they use local trade as supermarkets and sales to acquire their protein sources, and are not directly dependent on the fish for their subsistence. These groups are in the process of mapping and self-recognition.

Considering the need for technical identification of the groups of “fiscadores” gold diggers, a consultancy was commissioned, at the request of MPF, to carry out a study to diagnose identification and recognition in the Santa Cruz region of Escalvado and Doce River. In parallel, a dialogue routine was established to inform and involve the active participation of these communities, seeking emergency alternatives until impact studies are completed. Working groups involving communities to structure emergency solutions are part of this routine of dialogue. In these groups, besides the community and

FOUNDATION, there are also local municipalities and the Movement of People Affected by Dams (MAB), all with an active voice in the construction of collective solutions.

The FOUNDATION should also establish negotiations with the Remnant Communities of Quilombo from Santa Efigênia in Mariana, as well as implement measures to repair possible impacts arising from the rupture of the Fundão dam, always respecting the proper forms of social organization, behaviors, uses and traditions of the communities, under the supervision of the Palmares Cultural Foundation (FCP). In addition, in case there are indications to be brought by the Government Entities of other traditional communities¹⁶ that have been affected by the disruption, the FOUNDATION must adopt the same procedure¹⁷.

7.2.3. EMERGENCY FINANCIAL AID TO INDIGENOUS COMMUNITIES AND OTHER TRADITIONAL COMMUNITIES IMPACTED

Regarding the payment of Emergency Financial Assistance to the indigenous communities and other impacted traditional communities, the following description of the financial aid provided by FOUNDATION is given below. It is highlighted, from the beginning, that the particularities of each culture are respected and that dialogue with communities is taking place according to the availability and space open to the FOUNDATION, on a case-by-case basis:

¹⁶ According to Clause 51 and 52 of the TTAC, "it covers Peoples and Traditional Communities, differentiated culturally groups which are recognized as such, having their own forms of social organization, which occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, utilizing knowledge, innovations and practices generated and transmitted by tradition" and "Traditional Territories are understood as the necessary spaces for the cultural, social and economic reproduction of Traditional Peoples and Communities, used in a permanent way, even with effective seasonal use".

¹⁷ The Program of Protection and Recovery of the Quality of Life of Traditional Peoples and Communities was planned and has been executed based on art. 68 of ADCT; Law number 7,668 of August, 22nd, 1988; in Decree number 4.887, of November, 2nd, 2003; in Decree number 6,040, of February, 7th, 2007; Decree number 3,551 of August, 4th, 2000, as well as Convention number 169 of OIT, the Convention on Indigenous and Tribal Peoples and the American Convention on Human Rights (Pact of San José, Costa Rica).

(A) INDIGENOUS PEOPLE FROM RESPLENDOR: payment of financial assistance to 130 (one hundred and thirty) Indigenous families of Resplendor, referring to 9 (nine) minimum monthly salaries per family, as agreed between community leaders and VALE during a hearing held on 11.16. 2015, so that the action covers 100% (one hundred percent) of the impacted Indigenous families of Resplendor.

(B) INDIGENOUS TUPINIQUIM-GUARANI: payment of financial assistance to 915 (nine hundred and fifteen) families, corresponding to the value of 1 (one) minimum wage, plus 20% (twenty percent) of the minimum wage per dependent and market basket of the DIEESE.

(C) INDIGENOUS COMBOIOS: payment of financial assistance to 192 (one hundred and ninety-two) families, corresponding to the value of 2 (two) minimum and one-half salaries, plus twenty percent (20%) of the minimum wage per dependent and value of the market basket of DIEESE.

(D) OTHER TRADITIONAL PEOPLES

(D.1) Payment of financial assistance to 179 (one hundred and seventy-nine) "quilombolas" in Degredo, corresponding to the value of 1 (one) minimum wage, plus 20% (twenty percent) per dependent and the market basket value.

(D.2) Payment of financial assistance to 212 (two hundred and twelve) "fiscadores" gold diggers in Degredo, corresponding to the value of 1 (one) minimum wage, plus 20% (twenty percent) per dependent and the market basket value.

It should be emphasized that the assistance provided by the FOUNDATION represents a temporary measure and serves to the maintenance of the consumption of protein sources. It is true that the traditional component must be worked on through synergetic programs

so that communities' livelihoods can be rapidly reconstituted.

It is therefore inferred that the payment of emergency financial assistance to indigenous and traditional communities, is an intermediate measure. As a welfare payment only, it does not align with the sustainability principle of the programs conducted by FOUNDATION. As stated, the main purpose of programs and projects to serve indigenous communities and traditional communities is for these groups to achieve their self-reorganization before the environment established after the disruption.

7.2.4. ACTIONS CURRENTLY IN PROGRESS

Currently, in compliance with the IFC's determination, the FOUNDATION has been providing mineral water to the Degredo Community and to indigenous communities in Resplendor. The FOUNDATION has also been working along with the CIF, the Special Secretariat of Indigenous Health ("SESAI") and the Indigenous Technical Chamber and Peoples and Traditional Communities ("CT-IPCT") in order to be implemented measures related to water quality in the Indigenous Lands Comboios, Tupiniquim, Caieiras Velhas II and Degredo.

During the months of November and December, 2018, the structuring and permanent actions, foreseen in the ECQ of the Community of Degredo, will begin to be discussed and delineated with the community, to the CIF and the Technical Chambers, with the main objective of recovering the collective identity and individual of the "quilombolas".

In Aracruz, considering the ECI conclusion forecast for the middle of 2019, some structuring actions - such as water treatment - began

to be discussed and outlined this year.

With regard to the indigenous people from Resplendor, the FOUNDATION is waiting for a favorable positioning for the ECI. While there is no acceptance for the study of diagnosis of impacts, the FOUNDATION has been implementing repair actions previously agreed with the community.

Lastly, the FOUNDATION should elaborate a specific indemnity model for Indigenous Peoples and Traditional Communities, which has been built with the participation of those affected. This model depends on the identification and validation of the impacts suffered so that it can be quantified. Before the discussion is brought to the community, the matter is being considered by the CT-IPCT.

Below, we present the actions implemented in October, 2018, and to be implemented in the short term.

(A) ACTIONS IMPLEMENTED IN OCTOBER/2018

- Negotiation of the emergency agreement with indigenous peoples of Caieiras Velhas II and Tupiniquim and Guarani;
- Water supply service in an indigenous community located in Minas Gerais: survey services were carried out in the area of the underground water supply (FUNAI well) and topography services from this source to the existing reservoir (pipeline); attempt to recover the Barca well, but, as it was not possible, it was decided to perform geophysics of the space to define a new drilling point in the same area;
- The results of the 1st phase of the geophysics studies carried out in two indigenous communities located in Minas Gerais State were given to the Indigenous Special Sanitary District of Minas Gerais and Espírito Santo (DSEI-GV/ES);

- Conducting survey services to complement the executive project to improve access in an indigenous community located in Minas Gerais and;
- Issuing reports of water analysis, having as reference the potability for human consumption, for the samples collected in Comboios.

(B) FORESEEN ACTIONS FOR DECEMBER 2018

- Dissemination of the results of water potability analyzes carried out on Comboios to CT-IPTC and to the community;
- Topography and survey services will be carried out in the sections where drainage works will be carried out and in the FUNAI well area, in an indigenous community located in Minas Gerais;
- Information survey for the distribution of drinking water in Comboios, Córrego do Ouro, Amarelos, Pau Brasil, Olhos d'Água and Nova Esperança;
- Performing the 2nd phase of geophysics studies in two indigenous communities located in Minas Gerais.

ITEM 8. PLEASE AND PROVIDE INFORMATION ON WHETHER RENOVA FOUNDATION SEES AN INTEREST IN A HAS AN INTENTION TO INCREASE THE LEVEL OF PARTICIPATION OF THE REPRESENTATIVES OF THE AFFECTED COMMUNITIES IN THE BODIES ESTABLISHED BY THE NEW SETTLEMENT AGREEMENT

TAC GOVERNANCE consists of an adjustment to improve the existing governance system provided by TTAC in order to increase social participation and increase the quality of the decision-making process to avoid delays in the deadlines for implementing programs and projects conducted by FOUNDATION. The term also recognizes and legitimizes the FOUNDATION in the quality of executor of the repair and compensation actions foreseen in the TTAC.

In addition to including the participation of those affected in all governance structures of the FOUNDATION, the TAC GOVERNANCE extends its institutional arrangement, which now counts on the participation of the CIF, the Technical Chambers, the Regional Chambers and Local Commissions, the MPMG Curatorship, Independent Audit, Compliance, Ombudsman, Observer Forum, Fiscal Council, Advisory and Curator.

From the TAC GOVERNANCE, the Advisory Council was constituted by: 4 (four) representatives of the Doce River Water Basin Committee; 7 (seven) affected representatives appointed by the Local Commissions; 2 (two) representatives of NGOs related to marine life indicated by the CIF and environmental rights indicated by the Public Ministry; 3 (three) representatives of academic institutions indicated, respectively, by FOUNDATION, CIF and Public Ministry; 1 (one) representative of an entity engaged in economic development indicated by the FOUNDATION; 2 (two) members of NGOs active in human rights appointed by the Public Ministry and Public Defender's

Office.

For all of the above, it is observed that the new model of social participation is in line with the changes promoted by the TAC GOVERNANCE, reorganizing the format and the territorial distribution of the representation of the affected people and other interested parties, as well as represents a new management process, based on the integration and territoriality of actions, guided in accordance with the local context and with the engagement of affected communities.

With the adjustments to the FOUNDATION's internal organization and its governance model, reinforcing the role of the affected population in the decision-making process, it is hoped to make reparation and compensation of impacts even more participatory, efficient and sustainable.

ITEM 9. PLEASE DESCRIBE THE ENVISAGED ACTION AND THE REVISED TIMELINE, ACCORDING TO WHICH BRAZILIAN AUTHORITIES AND THE THREE COMPANIES INVOLVED INTEND TO PROVIDE AFFECTED POPULATIONS WITH FULL REMEDIATION

Attached are the 2018 Repair Workbook, prepared by the FOUNDATION, which contains a general update of the data and indicators of the foreseen programs in the TTAC during 2018, as well as the December report presented to the IFC, with the progress of the programs in detail (documents 16 and 17)

ITEM 10. PLEASE PROVIDE INFORMATION AS TO THE STEPS TAKEN OR CONSIDERED BY RENOVA FOUNDATION TO TRACK THE EFFECTIVENESS OF YOUR NEW REMEDIAL RESPONSE IN LINE WITH PRINCIPLE 20 OF UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS WHICH REQUIRES DRAWING "ON FEEDBACK FROM BOTH INTERNAL AND EXTERNAL SOURCES, INCLUDING AFFECTED STAKEHOLDERS"

10.1. AUDITS

The FOUNDATION welcomes the effective participation of those affected in defining the adopted measures to compensate for the damage caused by the rupture of the Fundão dam as an advance of its governance system. The engagement of those affected, civil organizations, academy, Government Entities and specialists is a central pillar in the way that the FOUNDATION finds and implements the solutions that integrate the 42 (forty-two) programs under its responsibility, insofar as the coexistence with different opinions and visions optimize the quality of these solutions and that these will only be effective if they are done together.

The configuration brought by TAC GOVERNANCE seeks to establish mechanisms of participation. In order to support this structuring, the Public Prosecutor's Office has contracted, with the support of the maintainers, the specialized Brazilian Fund for Human Rights (Fundo Brasil), which will act along with those affected to define how this process of popular participation will take place in the governance system of the FOUNDATION . Those affected are responsible for choosing the members of the Local Commissions and Regional Chambers mentioned earlier in this response.

As stated, the hiring of independent technical advisory services has the role of supporting Local Commissions and encouraging the

broad and informed participation of those affected. These institutions should provide expert services in a number of areas, develop technical studies and assist in making public services viable, and is fundamental to guarantee the right of impacted populations.

Fundo Brasil was the hired institution as an expert of the Federal Public Ministry, to carry out the coordination and hiring of technical advisory services. As a first step in this process, a public call was opened for the accreditation of civil society organizations that could carry out this work. Accreditation took place separately for 16 (sixteen) territories, outlined by the organization.

On May , 12th, 2018, Fundo Brasil informed the preliminary results of the accreditation process of the organizations, introducing those that are able to provide the technical advisory service to those affected by the rupture of the Fundão dam. In all, 12 (twelve) institutions were accredited, who applied for technical advisory work in the different territories. The result is still preliminary and does not indicate the effective hiring of the entities, which should be defined based on the choice of the affected communities:

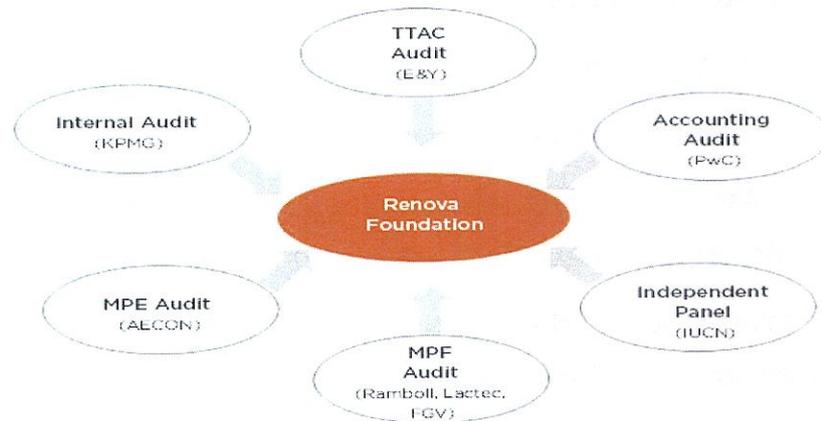
List of Organizations Accredited by the Fundo Brasil:

- 1. Associação Mineira das Escolas Família Agrícola (Amefa)*
- 2. Associação da Escola Família Agrícola de Camões (Aefac)*
- 3. Assoc. de Desenvolvimento Agrícola Interestadual (Adai)*
- 4. Cáritas Diocesana de Governador Valadares*
- 5. Cáritas Diocesana de Itabira*
- 6. Núcleo de Assessoria às Comunidades Atingidas por Barragens (Nacab)*
- 7. Centro Agroecológico Tamanduá (CAT)*

- 8.** *Assoc. Estadual de Defesa Ambiental e Social (Aedas)*
- 9.** *Centro Alternativo de Formação Popular Rosa Fortini*
- 10.** *Rede Internacional de Ação Comunitária (Interação)*
- 11.** *Grupo Técnico de Apoio (GTA)*
- 12.** *Associação dos Pequenos Produtores Reassentados de Aimorés, Itueta e Resplendor (Apprair)*

The governance of the FOUNDATION, since its inception, is an open system of shared control, so that the decision-making process occurs through negotiation. For the first time in the country, a model was established in which the responsible companies for damages bear the costs of repairing and the public agencies, in turn, define and supervise the execution of the actions.

All the processes, programs and projects of FOUNDATION undergo several assessments that seek to attest the effectiveness and conformity of the repair actions. These evaluations are carried out both by demands of the CIF, the Federal Public Ministry, the result of judicial agreements and evaluations conducted by the FOUNDATION itself in order to evaluate its processes and control environment (internal audits). In addition, there are also independent evaluations, which are not linked to the signatories of the TTAC or the TAC GOVERNANCE, nor to the FOUNDATION structure, such as the International Union for Conservation of Nature (IUCN), which will be better described in the following items.



Audit mechanisms for the activities of the Renova Foundation

10.1 (A) AUDIT OF EFFECTIVENESS OF THE PROGRAMS

To serve TTAC, on 04.01.2016, Ernst & Young (EY) was hired with the purpose of acting as an audit firm responsible for ensuring the Programs to be implemented by THE FOUNDATION, as stipulated in TTAC. E&Y is one of the companies in the group called "Big Four" of global operation in auditing (www.ey.com).

The assurance activities conducted by E&Y are presented to the CIF and any governance system constituted and represented in these instances, following the parameters of NBC TO 3000 – Work of Different Assurance of Audit and Revision, issued by the Federal Accounting Council (CFC) and with the ISAE 3000 - International Standard on Assurance Engagements, issued by the International Auditing and Assurance Standards Board (IASB), both for assurance

works which are not of audit or revision of historical financial information.

The assurance procedures applied so far were partial, with no final evaluations of the programs regarding the adherence of the actions and indicators of effectiveness. When the results are completed, they will be published on the CIF website.

10.1 (B) AUDIT OF THE FINANCIAL STATEMENTS

For the assessments and accounting audits it was hired the PwC - PricewaterhouseCoopers (www.pwc.com.br), also belonging to the "Big Four". They are assessments that occur annually and their results are published on the FOUNDATION websites and delivered to the Foundations Curatorship of the Public Ministry of Minas Gerais.

10.1 (C) EXPERTS' EVALUATIONS OF THE FEDERAL PUBLIC MINISTRY

Other evaluation and monitoring mechanisms of the FOUNDATION Programs are the evaluations foreseen in the Preliminary Adjustment Term (TAP) and, subsequently, TAC GOVERNANCE.

In an agreement signed on January, 2017, between the companies VALE, BHP BILLITON BRASIL and SAMARCO with the Federal Public Ministry was defined the hiring of Experts companies to carry out socioeconomic and socioenvironmental diagnoses, as well as evaluation and monitoring of the programs conducted by FOUNDATION. These evaluations have been underway since March, 2017, with the performance of the following Experts:

(C.1) RAMBOLL: acts as an "expert" of the Federal Public Ministry, carrying out the monitoring and evaluation of the FOUNDATION programs. The results of the work conducted by Ramboll are delivered

directly to the Federal Public Ministry and the company has been operating since March, 2017.

(C.2) LACTEC: acts as an "expert" of the Federal Public Ministry, conducting a diagnosis of the social and environmental damages caused by the rupture of the Fundão dam. Like Ramboll, its results will be reported directly to the Federal Public Ministry and the company has been operating since April, 2017.

(C.3) Getúlio Vargas Foundation (FGV): was hired as an expert from the Federal Public Ministry to carry out a diagnosis and evaluation of socioeconomic damages in the livelihoods of the communities affected by the rupture of the Fundão dam. The Getúlio Vargas Foundation started its activities in September, 2018 (Phase 1 - Initial survey) and Phase 2 is expected to start in December, 2018.

10.1 (D) DOCE RIVER INDEPENDENT PANEL - IUCN

IUCN, established in 1948, is a union of members composed exclusively of governmental organizations and civil society. IUCN is a leader in the production of data, assessments and analyzes on conservation and has a broad framework of experts working to provide public, private and non-governmental organizations with a range of knowledge and tools that enable economic development and conservation of nature occur together.

The Doce River Independent Panel, coordinated by the IUCN, was established to play a critical role in advising on reparation efforts and assisting in the recovery of the landscape and local communities after the rupture of the Fundão dam and assist in avoiding such incidents in the future following the basic principles of the IUCN: independence, transparency, responsibility and engagement.

All panel recommendations are shared publicly. At the moment, the first report was published entitled "The impacts of the rupture of the Fundão Dam - The way to sustainable and resilient mitigation".

In this first of a series of publications, the Doce River Independent Panel presents its point of view and recommendations for moving towards a sustainable and resilient mitigation of the impacts of the Fundão dam rupture.

The Panel's main message in this report is: mitigation efforts must lead to a positive and lasting legacy for present and future generations. The report can be accessed at: <https://portals.iucn.org/library/node/47833>.

10. 1 (E) INTERNAL AUDIT

In the organizational structure of FOUNDATION there is an area dedicated to internal audit activities, which is subordinated to Governance and Risk management. Since the beginning of the FOUNDATION activities in August, 2016, several internal audits have been carried out to evaluate the conformity of processes, programs and contracts.

Considering the management model implemented and the timeframe of existence of the FOUNDATION, the internal audit process is a tool that seeks to contribute to the improvement and evolution of the processes and control environment from the evaluations carried out within the programs, projects and processes. Currently, KPMG, one of the Big Four companies, performs the internal audits of the FOUNDATION (www.kpmg.com.br).

10.2. RELATIONSHIP CHANNELS: SOCIETY FEEDBACK

To guarantee access to information for those affected, other interested parties and the society in general, the FOUNDATION has several channels of relationship, as described below. In addition, the FOUNDATION website has a wide variety of documents, reports and news about the repair process¹⁸.

(A) 0800 031 2303

With free access, it registers and handles demonstrations on all matters related to the FOUNDATION. Currently, the service is available Monday through Saturday from 8 a.m to 8 p.m. For the service, the contact person is registered in the FOUNDATION Stakeholder Management System (SGS) and, from the second contact, before passing on individual information about the repair process, data are confirmed as the CPF number, address, telephone number and mother's name in order to preserve the sharing of information which is personal, confidential and sensitive.

If these data are not confirmed or passed on incorrectly to the attendant, personal information is not shared and the protester is directed to look for the nearest Information and Assistance Center (CIA) to update the registering data.

(B) CONTACT US

It receives, registers and handles demonstrations sent to the e-mail address faleconosco@fundacaorenova.org or by the FOUNDATION website at www.fundacaorenova.org/faleconosco, available in English

¹⁸ Para mais informações, acessar: www.fundacaorenova.org.

and Portuguese, according to TTAC requirements. It is also up to the current team of Contact Us, since it composes an integrated management with the 0800, active contact with demonstrators to offer feedbacks to the questions that could not be answered during the contact, but that have already been analyzed by the technical teams of the FOUNDATION .

(c) INFORMATION AND SERVICE CENTERS (CIAS)

In addition to the available channels by telephone and Internet, the community can also ask questions and obtain information about FOUNDATION-related topics, in person, at the Information and Service Centers (CIAs). The CIAs were jointly established with the FOUNDATION Dialogue team and deployed in regions where the largest number of people affected by the rupture of the Fundão dam is concentrated.

Currently, 20 (twenty) CIAs are in operation, being 11 (eleven) in Minas Gerais and 9 (nine) in Espírito Santo. The service is held from Monday through Friday, from 8 a.m to 5 p.m. Through the inclusion of new areas in the mouth of the Doce River within the scope of service and action of FOUNDATION, the use of itinerant CIAs' actions began in 2018. In this type of service, the attendants travel to the communities, on certain days, to clarify doubts and record demands.

(d) USER PORTAL

It is about a digital platform integrated to the FOUNDATION web site that allows, to the affected one, the visualization of data related to their attendance/participation in the FOUNDATION programs, their

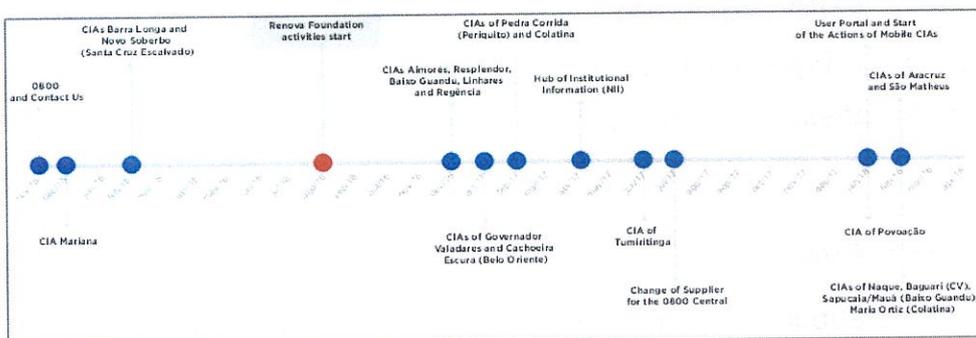
manifestations registered in the Relationship Channels and respective answers, besides sending new manifestations.

It is a channel of major importance, because, since the other relationship channel attendants do not have access to confidential data about the protesters, such as, for instance, indemnity values, confidential data can only be consulted and accessed by the affected ones through this Portal.

(E) INSTITUTIONAL INFORMATION CENTER

The Institutional Information Center aims to centralize the reception and response to the requests of the Public Power and Organized Civil Society, sent by means of bulletins.

0800 channels, Contact Us and some of the CIAs are in operation since the emergency phase, soon after the rupture of the Fundão dam, in structures made available by SAMARCO itself. With the beginning of the FOUNDATION activities, in August, 2016, the management of these Channels was undertaken by the latter. The Institutional Information Center was created in April, 2017 and the User Portal was deployed in January, 2018.



Timeline of the availability of Relationship Channels

The manifestations received by the 0800, CIAs, Contact Us and User Portal are registered, from the beginning of each operation, in a specific management system. Monthly reports on the status of the demonstrations are sent to the Technical Chamber of Communication, Participation, Dialogue and Social Control (CT-CPDCS) and to the CIF.

At each service, a satisfaction survey is carried out, assessing the extent to which the information provided was suitable to the needs of the applicant and the quality of care. The results of this survey are also reported monthly. In addition, procedures, trainings and monitorings of the teams of attendants are implemented and reviewed periodically, so that the team is equipped with information and is able to provide them with quality, clarity and adequacy to the expectations of those affected. The same work is done with professionals in the technical areas who provide the necessary answers to each theme.

The cases of high social vulnerability identified during the service are sent to the Ombudsman and Human Rights areas for joint treatment, as shown in item 11, below.

The FOUNDATION recognizes that there are numerous challenges to improve the answers to be provided to those affected and is making efforts to improve care. The need to overcome these challenges is one of the reasons why the participation of the affected population and other stakeholders is essential to contribute to the joint construction of solutions and alternatives for the suitable addressing of damages resulting from the rupture of the Fundão dam.

ITEM 11. PLEASE PROVIDE INFORMATION ON HOW THE NEW SETTLEMENT AGREEMENT SATISFIES THE EFFECTIVENESS CRITERIA STIPULATED IN PRINCIPLE 31 OF UN GUIDING PRINCIPLES TO REDRESS ADVERSE HUMAN RIGHT IMPACTS

A series of instruments for access to information and relationship channels were instituted by FOUNDATION, which respond to the Principle 31 of Effectiveness Criteria, as demonstrated in the response to item 10.

The Ombudsman's Office was set up in the TTAC and began its activities 90 (ninety) days after its signature, and, as foreseen under the Dialogue, Participation and Social Control Program¹⁹, it aims to provide access to a mechanism for complaints and claims to the affected communities by the rupture of the Fundão dam.

Subsequently, TAC GOVERNANCE gave it greater independence and scope of action, reflected, for example, in the form of hiring of the Ombudsman and in the supra-institutional nature of the branch. As the new agreement is still in the implementation phase, we introduce below information regarding the current operation of the FOUNDATION's Ombudsman's Office, and examples of its adherence to the Guiding Principle 31.

The Ombudsman's Office observes the effectiveness criteria of complaint and claims²⁰ mechanisms and seeks to constantly serve and improve them according to the examples of actions listed in the table below. With the celebration of the new agreement, FOUNDATION will

¹⁹ TTAC, CLAUSE 64.d. implementation of the ombudsman mechanism to monitor the actions of the repair plan, and to receive complaints and comments from IMPACTED parties.

²⁰ UN Guiding Principles of Human Rights and Business (2011); The Office of the Compliance Advisor/Ombudsman for the International Finance Corporation (IFC) - A Guide to Designing and Implementing Grievance Mechanisms for Development Projects, 2008; "Rights-Compatible Grievance Mechanisms: A guiding tool for companies and their stakeholders" - Corporate Social Responsibility Initiative, JF Kennedy School of Government, Harvard University (2008).

make every necessary effort to ensure that the effectiveness criteria continue to be met.

CRITERIA	ACTIONS – EXAMPLES
Legitimacy	<ul style="list-style-type: none"> • Ombudsman reports to the Curator Council • Independence in the verification of manifestations • Personnel, budgetary and technological resources are provided • Standardization and implementation of Ombudsman procedures
Accessibility	<ul style="list-style-type: none"> • Ease of access: telephone, online form and e-mail • Internal referral of manifestations received for various services • Specialized service team • Possibility of registering anonymous complaints • Information to the protester on the progress of the verification
Predictability	<ul style="list-style-type: none"> • Initial, intermediate and conclusive feedback to the protester • Deadline for final response (20 days) • Differentiated deadlines according to classification and criticality of the manifestation • Standardization and implementation of Ombudsman procedures
Equity	<ul style="list-style-type: none"> • Service conducted with attention and respect • Verification of the manifestations with coherence and impartiality • Commitment to the search of an effective solution

CRITERIA	ACTIONS – EXAMPLES
Transparency	<ul style="list-style-type: none"> • Confidentiality and identity preservation • Follow-up of the manifestation by protocol • Initial, intermediate and conclusive feedback to the protester • Publication of periodic reports
Respect to the human rights	<ul style="list-style-type: none"> • Training for ombudsman and human rights staff • Handling manifestations along with the areas of human rights and technical
Ongoing improvement processes	<ul style="list-style-type: none"> • Standardization and implementation of Ombudsman procedures • Management of the information related to the manifestations received, cleared and finalized • Continuous monitoring of data, statistics and indicators • Critical analyses and recommendations for programs
Participation and dialogue with the interested parties	<ul style="list-style-type: none"> • Information provided to the requestor on the progress of the verification • Consultancy of requestors on Ombudsman services • Actions for wide dissemination of the Ombudsman's Office

In this matter, the Ombudsman represents a non-judicial complaint mechanism, in the interface with its stakeholders, insofar as it receives, registers and investigates complaints and claims related to possible human rights violations, misconduct, breaches of current legislation and/or failure to comply with FOUNDATION's obligations.

It observes international guidelines of respect to the human

rights²¹, constitutional principles and national regulations²², as well as observing the TTAC, the FOUNDATION's Code of Conduct, the deliberations issued by the CIF and the technical notes issued by the Technical Chambers²³. Internationally recognized criteria for the effectiveness of complaint mechanisms are also observed²⁴.

In the governance structure, which is currently undergoing changes due to the homologation of the new agreement, the Ombudsman's Office remains directly reporting to the Curator Council, in order to ensure the independent and autonomous exercise of its activities in the other areas of the FOUNDATION. The Ombudsman must observe the ethical and moral principles intrinsic to its functions²⁵, welcoming the protester with attention and respect, acting with transparency, as well as being guided by a conduct of coherence, impartiality and commitment in the search for an effective solution.

The management of the events is carried out by the FOUNDATION team with the support of a third-party company, which maintains a team of specialized attendants and a computerized system for the monitoring of events and indicators, as well as ensuring the proper storage and security of information. They are premises for the activities of the Ombudsman:

(i) Independence and exemption in the processes of

²¹ Universal Declaration of Human Rights (1948); International Pact of Civil and Political Rights and the International Pact on Economic, Social and Cultural Rights (1966); United Nations Guiding Principles for Human and Business Rights (2011);

²² Brazilian Federal Constitution (1988); Law number 12,527 - Law on Access to Information (2011); Law number 13,460 (2017): Provides for the participation, protection and defense of the rights of users of public services of the public administration; National Policy on Social Participation (Decree 8.243/ 2014); Normative Instruction number 1 of the Union's Ombudsman's Office (2014); Normative Joint Instruction OGU/ CRG number 01 (2014).

²³ CIF/Deliberation number 105 of September, 14th, 2017; Technical Note number 03/2017/CTCPDCS/CIF and Technical Note number 02/2018/CTCPDCS/ CIF Technical Chamber of Communication, Participation, Dialogue and Social Control.

²⁴ UN Guiding Principles of Human and Business Rights (2011); The Office of the Compliance Advisor/Ombudsman for the International Finance Corporation (IFC) - A Guide to Designing and Implementing Grievance Mechanisms for Development Projects, 2008, "Rights-Compatible Grievance Mechanisms: A guidance tool for companies and their stakeholders" - Corporate Social Responsibility Initiative, JF Kennedy School of Government, Harvard University (2008).

²⁵ Code of Ethics - Brazilian Association of Ombudsmen (1997)

verification of the manifestations, in order to ensure impartiality and legitimacy with the other areas of the FOUNDATION;

(ii) Confidentiality and identity preservation in the verification of the manifestations and secrecy of the information related to the identity of the protesters, considering that the name constitutes personal and protected information and that the availability of the data can bring risks of retaliation, so that the security and the physical integrity of the protesters must be preserved;

(iii) Registration of anonymous complaints without the need of identification. The verification and, where applicable, the referral of the complaint to the competent branches is carried out once there is sufficient information to verify the described facts.

(iv) Accessibility and transparency. The registration of the manifestations can be made by e-mail (ouvidoria@fundacaorenova.org), through the electronic site (<https://www.canalconfidencial.com.br/fundacaorenova/>) and by 0800 721 0717. The Ombudsman informs a protocol number to follow up the verification and inclusion of additional information.

It is worth noting that both the Relationship Channels and the Ombudsman's Office receive complaints. The Channels handles complaints of dissatisfaction with the processes and execution of the programs, and with the repair and remediation actions of the FOUNDATION.

The Ombudsman's Office, for its turn, has as its main

responsibility the verification of anonymous or identified complaints²⁶, such as reports of abusive practices, irregularities in eligibility for financial assistance and indemnification proceedings, misdemeanor/unlawful acts, breach of obligations and possible impacts on rights humans. The Ombudsman also finds complaints regarding **(i)** quality of service and **(ii)** deadlines and processes, when there is a situation of social vulnerability and/or recurrence and negligence in the service.

The subprocesses for management of the manifestations in the Ombudsman's Office are: **(1)** Registration, qualification, verification and response to the manifestations received; **(2)** Referral, determination and treatment of complaints and claims to the management teams, socioeconomic and socioenvironmental programs competent to follow up on the measures and collection of results; **(3)** Intermediation and verification with demonstrators for more information and clarification; **(4)** Information to the protester on the progress of the verification process and, later, a conclusive feedback; **(5)** Management of information regarding the manifestations received, verified and finalized; **(6)** Continuous monitoring of data, statistics and indicators; **(7)** Preparation and publication of periodic reports and **(8)** Providing information and critical analysis to management teams and leading socioeconomic and socioenvironmental programs that aim to improve the performance of dialogue mechanisms and provide grants to improve the service to impacted communities.

When pertinent, the Ombudsman requests clarification to the other areas of the FOUNDATION, which proceed with the procedures' checking of their processes to verify the conformity and origin of the manifestation. If nonconformities are identified, the handling will be

²⁶ Denunciation: any manifestation whose objective is to bring to the knowledge of the FOUNDATION to a certain illegal or illicit fact with expectation of some possible punishment.

negotiated in agreement with the Ombudsman.

The Ombudsman also mediates with the protesters, whether for requesting clarifications, information about the registration and progress of the verification process or conclusive feedback. It should be noted that the complaints are answered in an individualized way: the result of the verification and, when appropriate, the handling and the predictability of care are informed to the protester. In case of complaints, the complainer is informed about the progress and referral of the complaint, but the results are preserved with respect to the secrecy of the verification and protection of the protester, due to the possible risks of retaliation and security of the protesters and/or denounced.

- CHAPTER III: CONCLUSION -

In view of the foregoing, THE FOUNDATION appreciates the contributions forwarded by the Special Procedures linked to the UN Human Rights Council and it considers them of great value for the constant improvement of its work and for the progress in the implementation of the best solutions to affected communities and other interested entities.

It considers that the exposed recommendations are included in the guiding principles on business and human rights and in the provisions of the TTAC and the TAC GOVERNANCE, as mentioned in this very answer and that are reflected in the actions of the FOUNDATION, in its programs and activities, since its inception.

In order to improve its actions, internal and external evaluations of the programs and projects developed by FOUNDATION are carried out, as well as the results achieved, always with the objective of passing on the participation to the affected, representatives of the public authorities through the CIF and the Technical Chambers, public hearings and meetings and direct dialogue with stakeholders.

Lastly, the FOUNDATION is available to provide further clarification on all the programs and actions they have been conducting, always seeking to ensure transparency in their actions, the right to information and participation to those affected and to civil society in the process of the disaster repair.

It reaffirms its commitment to implement all possible actions for the fastest, most adequate, global and isonic recovery and repair of the impacts caused by the rupture of the Fundão dam, the FOUNDATION subscribes the present answer addressing its votes of highest regard and consideration.



CHRISTIANA GALVÃO FERREIRA DE FREITAS

HUMAN RIGHTS SPECIALIST

RENOVA FOUNDATION



ROBERTO SILVA WAACK

PRESIDENT-DIRECTOR

RENOVA FOUNDATION