

(A free translation of the original in Portuguese)

**MANAGEMENT REPORT, INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS  
As of December 31, 2021**



FUNDAÇÃO  
**renova**

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***Fundação Renova***  
***Demonstrações financeiras em***  
***31 de dezembro de 2021***  
***e relatório do auditor independente***



## ***Relatório do auditor independente sobre as demonstrações financeiras***

Aos Administradores  
Fundação Renova

### **Opinião**

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Examinamos as demonstrações financeiras da Fundação Renova ("Entidade"), que compreendem o balanço patrimonial em 31 de dezembro de 2021 e as respectivas demonstrações do resultado, do resultado abrangente, das mutações do patrimônio líquido e dos fluxos de caixa para o exercício findo nessa data, bem como as correspondentes notas explicativas, incluindo as políticas contábeis significativas e outras informações elucidativas.

Em nossa opinião, as demonstrações financeiras acima referidas apresentam adequadamente, em todos os aspectos relevantes, a posição patrimonial e financeira da Fundação Renova em 31 de dezembro de 2021, o desempenho de suas operações e os seus fluxos de caixa para o exercício findo nessa data, de acordo com as práticas contábeis adotadas no Brasil.

### **Base para opinião**

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Nossa auditoria foi conduzida de acordo com as normas brasileiras e internacionais de auditoria. Nossas responsabilidades, em conformidade com tais normas, estão descritas na seção a seguir, intitulada "Responsabilidades do auditor pela auditoria das demonstrações financeiras". Somos independentes em relação à Entidade, de acordo com os princípios éticos relevantes previstos no Código de Ética Profissional do Contador e nas normas profissionais emitidas pelo Conselho Federal de Contabilidade, e cumprimos com as demais responsabilidades éticas conforme essas normas. Acreditamos que a evidência de auditoria obtida é suficiente e apropriada para fundamentar nossa opinião.

### **Incerteza relevante relacionada com a continuidade operacional**

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#### **Pedido de intervenção e extinção da Entidade**

Chamamos a atenção para a Notas 1.1 às demonstrações financeiras, que descreve que o Ministério Público de Minas Gerais entrou com ação judicial, ainda em curso, requerendo a intervenção e a extinção da Fundação Renova. Essa situação, entre outras descritas nas Notas 1.1, indicam a existência de incerteza relevante que pode levantar dúvida significativa sobre sua continuidade operacional. Nossa opinião não está ressalvada em relação a esse assunto.

### **Outras informações que acompanham as demonstrações financeiras e o relatório do auditor**

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A diretoria da Entidade é responsável por essas outras informações que compreendem o Relatório da Administração.

Nossa opinião sobre as demonstrações financeiras não abrange o Relatório da Administração e não expressamos qualquer forma de conclusão de auditoria sobre esse relatório.



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Em conexão com a auditoria das demonstrações financeiras, nossa responsabilidade é a de ler o Relatório da Administração e, ao fazê-lo, considerar se esse relatório está, de forma relevante, inconsistente com as demonstrações financeiras ou com nosso conhecimento obtido na auditoria ou, de outra forma, aparenta estar distorcido de forma relevante. Se, com base no trabalho realizado, concluirmos que há distorção relevante no Relatório da Administração, somos requeridos a comunicar esse fato. Não temos nada a relatar a este respeito.

### **Responsabilidades da diretoria e da governança pelas demonstrações financeiras**

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A diretoria da Entidade é responsável pela elaboração e adequada apresentação das demonstrações financeiras de acordo com as práticas contábeis adotadas no Brasil e pelos controles internos que ela determinou como necessários para permitir a elaboração de demonstrações financeiras livres de distorção relevante, independentemente se causada por fraude ou erro.

Na elaboração das demonstrações financeiras, a diretoria é responsável pela avaliação da capacidade de a Entidade continuar operando, divulgando, quando aplicável, os assuntos relacionados com a sua continuidade operacional e o uso dessa base contábil na elaboração das demonstrações financeiras, a não ser que a diretoria pretenda liquidar a Entidade ou cessar suas operações, ou não tenha nenhuma alternativa realista para evitar o encerramento das operações.

Os responsáveis pela governança da Entidade são aqueles com responsabilidade pela supervisão do processo de elaboração das demonstrações financeiras.

### **Responsabilidades do auditor pela auditoria das demonstrações financeiras**

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Nossos objetivos são obter segurança razoável de que as demonstrações financeiras, tomadas em conjunto, estão livres de distorção relevante, independentemente se causada por fraude ou erro, e emitir relatório de auditoria contendo nossa opinião. Segurança razoável é um alto nível de segurança, mas não uma garantia de que a auditoria realizada de acordo com as normas brasileiras e internacionais de auditoria sempre detectam as eventuais distorções relevantes existentes. As distorções podem ser decorrentes de fraude ou erro e são consideradas relevantes quando, individualmente ou em conjunto, possam influenciar, dentro de uma perspectiva razoável, as decisões econômicas dos usuários tomadas com base nas referidas demonstrações financeiras.

Como parte de uma auditoria realizada de acordo com as normas brasileiras e internacionais de auditoria, exercemos julgamento profissional e mantemos ceticismo profissional ao longo da auditoria. Além disso:

- Identificamos e avaliamos os riscos de distorção relevante nas demonstrações financeiras, independentemente se causada por fraude ou erro, planejamos e executamos procedimentos de auditoria em resposta a tais riscos, bem como obtemos evidência de auditoria apropriada e suficiente para fundamentar nossa opinião. O risco de não detecção de distorção relevante resultante de fraude é maior do que o proveniente de erro, já que a fraude pode envolver o ato de burlar os controles internos, conluio, falsificação, omissão ou representações falsas intencionais.
- Obtemos entendimento dos controles internos relevantes para a auditoria para planejarmos procedimentos de auditoria apropriados às circunstâncias, mas não com o objetivo de expressarmos opinião sobre a eficácia dos controles internos da Entidade.
- Avaliamos a adequação das políticas contábeis utilizadas e a razoabilidade das estimativas contábeis e respectivas divulgações feitas pela diretoria.
- Concluimos sobre a adequação do uso, pela diretoria, da base contábil de continuidade operacional e, com base nas evidências de auditoria obtidas, se existe incerteza relevante em relação a eventos



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ou condições que possam levantar dúvida significativa em relação à capacidade de continuidade operacional da Entidade. Se concluirmos que existe incerteza relevante, devemos chamar atenção em nosso relatório de auditoria para as respectivas divulgações nas demonstrações financeiras ou incluir modificação em nossa opinião, se as divulgações forem inadequadas. Nossas conclusões estão fundamentadas nas evidências de auditoria obtidas até a data de nosso relatório. Todavia, eventos ou condições futuras podem levar a Entidade a não mais se manter em continuidade operacional.

- Avaliamos a apresentação geral, a estrutura e o conteúdo das demonstrações financeiras, inclusive as divulgações e se essas demonstrações financeiras representam as correspondentes transações e os eventos de maneira compatível com o objetivo de apresentação adequada.

Comunicamo-nos com os responsáveis pela governança a respeito, entre outros aspectos, do alcance e da época dos trabalhos de auditoria planejados e das constatações significativas de auditoria, inclusive as deficiências significativas nos controles internos que, eventualmente, tenham sido identificadas durante nossos trabalhos.

Belo Horizonte, 29 de abril de 2022

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

DocuSigned by:

Fabio Abreu de Paula

Signed By: FABIO ABREU DE PAULA 93519443600

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Signing Time: 29 April 2022 | 22:04 BRT

Fabio Abreu de Paula

Contador CRC 1MG075204/O-0

## Summary

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## **Message from Management**

The Renova Foundation is the organization responsible for carrying out the remediation and compensation measures in response to the damage caused by the collapse of the Fundão dam in Mariana (MG), six years ago, in November 2015. The Foundation is an independent, non-profit organization, whose scope of activities consists of 42 programs being implemented in the 39 affected municipalities in the states of Minas Gerais and Espírito Santo.

Renova was formed through and is governed by the Transaction and Conduct Adjustment Agreement (TTAC) signed in March 2016, by and between Samarco Mineração S.A., Vale S.A. and BHP Billiton Brasil Ltda., federal, state and municipal governments, in addition to several other government and civil society organizations.

The environmental and social remediation of the damage caused by the failure requires complex and unique interventions, unprecedented worldwide, which the Renova Foundation is carrying out with the collaboration of thousands of individuals as well as partnerships with teaching and research institutions and socio-environmental entities from Brazil and abroad. Currently, there are over 25 universities and 40 non-governmental organizations and partner institutions involved in the effort.

## **Scope of the Programs**

The 42 programs carried out by Renova are organized into three thematic axes (People and Communities, Land and Water, Reconstruction, and Infrastructure), which address the main activities designed to remediate the impacts caused by the failure of the Fundão dam.

It is important to mention that these remediation efforts currently generate over 6,000 direct and indirect jobs. Of the total number of posts generated, 54% are occupied by professionals from the affected municipalities.

Up to December 2021, the value of the contracts signed with local suppliers throughout the Renova Foundation's area of operation was BRL 1.07 billion, which corresponds to 54% of all contracts signed by the organization. The emphasis on local procurement benefits local suppliers and service providers, with the objective of boosting the economy of the affected municipalities and increase their tax revenue.

The receipt from Service Tax (ISSQN) generated by services procured and performed by Renova and Samarco - in compliance with TTAC obligations - reached BRL 245.2 million, of which BRL 47.9 million referred to 2021.

## **People and Communities Axis**

### Activities:

- Identification and indemnification
- Education and culture
- Health and well-being
- Traditional and indigenous communities
- Fostering economic activity
- Engagement and dialogue



**Related programs:** To survey and register the affected population, compensation and indemnification of the affected population; protection and recovery of the quality of life of indigenous peoples; protection and recovery of the quality of life of other traditional peoples and communities; social protection; communication and social participation, participation, dialogue and social control; school recovery and reintegration of the school community; historical, cultural and artistic memory; tourism, culture, sports and recreation; support to the physical and mental health of the impacted population; promotion of innovation; resumption of water based and fishing activities; economic development and diversification; micro and small business recovery; stimulus to local hiring; emergency financial aid; environmental education; information for the population; national and international communication; reimbursement of extraordinary public authority expenditures.

### **Land and Water Axis**

#### Activities:

- Land use
- Water management
- Tailings management
- Biodiversity
- Assistance to animals

**Related programs:** To provide animal welfare; recovery of the Risoleta Neves HPP Candonga dam; resumption of agricultural and livestock animal husbandry; recovery of Environmental Area 1; promotion of CAR and PRA; tailings management; rehabilitation of Permanent Preservation Areas; recovery of natural springs; conservation of biodiversity; wildlife recovery: land fauna and flora; preparedness for environmental emergencies; monitoring of the Doce River Watershed and Conservation units

### **Reconstruction and Infrastructure Axis**

#### Activities:

- Resettlement
- Tailings containment
- Water and effluent treatment
- Urban infrastructure and access

**Related programs:** To reconstruct towns; recovery of other affected communities and infrastructure; installation of tailings containment systems and in situ treatment of affected rivers; collection and treatment of sewage and disposal of solid waste; improvement of water supply systems; environmental risk management.

### **Main deliveries in 2021**

#### **People and Communities**

- Compensation paid was BRL 5.63 billion in 2021 and BRL 8.71 billion in the aggregate, for water damage (BRL 303.3 million) and general damage (BRL 6.72 billion), in addition to financial aid (BRL 1.68 billion) to around 363,500 beneficiaries.

- Since its creation, in October 2017, the *Fundo Desenvolve Rio Doce*, has released BRL 60.8 million for working capital funding for small and medium-sized companies, of which BRL 8.9 million in 2021. Concurrently, the *Compete Rio Doce Fund*, operating since February 2019, assists companies not eligible for *Desenvolve Rio Doce*, having provided BRL 7.2 million throughout its period of operation. In all, both funds registered 2,167 credit operations, in the total amount of BRL68.0 million. Disbursements made by the *Fundo Desenvolve Rio Doce* contributed to the maintenance of more than 8,300 jobs in Minas Gerais and Espírito Santo.
- The *Impulso Rio Doce* project, with an estimated investment of BRL 4.9 million up to September 2022, approved 1,236 entrepreneurial initiatives to provide consultancy, mentoring and training in 40 affected locations of the Doce river watershed.
- More than 200 initiatives from municipalities in Minas Gerais and Espírito Santo were selected by the *Edital Doce*, a public bidding process, to promote and improve the population's quality of life. These are projects aimed at restoring and valuing cultural traditions, developing tourism potential, and reintegrating sports and recreational activities. A total of BRL 13.0 million will be allocated to projects selected in 45 municipalities.
- The delivery of public library revitalization plans for 37 municipalities in the Doce river watershed, which joined the *Incentivo à Leitura* Project was completed in November 2021. Each public library participating in the project will receive as much as BRL 200,000, which can be used to revitalize the space with the purchase of books, equipment, infrastructure improvement, and training of professionals. In all, the Renova Foundation will allocate up to BRL 7.8 million to this initiative.

## Land and Water

- To-date, BRL 18.0 million have been transferred to the Rio Doce State Park, in Minas Gerais.
- In the first quarter of 2021, the restoration of some 550 hectares of forests and permanent preservation areas (APPs) located in Mariana, Barra Longa, Rio Doce, Santa Cruz do Escalvado and Ponte Nova was completed. The work was carried out in over 200 rural properties directly affected by the spilled tailings, involving the planting of 300 thousand seedlings of 96 native species. The areas were protected by fencing or native vegetation itself. So far, BRL 356.0 million have been allocated to forest restoration actions in the directly affected areas.
- Pilot project for the Renaturalization of the Gualaxo do Norte River was awarded in the BRICS Solutions for SDGs 2021 (Clean Water and Sanitation category).
- For the Recovery of Springs, in 2021 there were 1,137 springs for which the recovery process had started, 473 rural properties partnered in spring recovery actions, 3,356 springs registered in the public notice, and BRL 179,000 disbursed as Payment for Environmental Services (PSA) to rural producers. In addition, in June 2021, the public bidding notice for the mobilization of rural producers was published in several locations.

## Reconstruction and Infrastructure

- The basic sanitation program transferred, during 2021, BRL 18.9 million for sewage and solid waste actions to the municipalities of Aimorés (MG), Alpercata (MG), Barra Longa (MG), Bom Jesus do Galho (MG), Bugre (MG), Colatina (ES), Conselheiro Pena (MG), Córrego Novo

(MG), Dionísio (MG), Fernandes Tourinho (MG), Galiléia (MG), Governador Valadares (MG), Ipaba (MG), Ipatinga (MG), Itueta (MG), Linhares (ES), Naque (MG), Pingo d'Água (MG), Rio Casca (MG), Rio Doce (MG), Santana do Paraíso (MG), São Domingos do Prata (MG), São José do Goiabal (MG), Sem-Peixe (MG), Sobralia (MG), Timóteo (MG), Tumiritinga (MG) and consortia CIMVALPI (Multisectoral Intermunicipal Consortium of Vale do Piranga) and CONDOESTE (Public Consortium for the Appropriate Treatment and Final Disposal of Solid Waste from the Doce Oeste Region of the State of Espírito Santo). In all, BRL 38.4 million have already been transferred. At the same time, city halls have offered technical assistance and training workshops for the development of projects and monitoring of works. In 2021 alone, 956 visits and technical support meetings were carried out for the municipalities and consortia.

- Disbursements for the construction of resettlements was BRL 1.95 billion.
- With the progress of infrastructure works and the construction of the first houses, the resettlement of Bento Rodrigues is progressing as designed together with the residents. The infrastructure works are completed, considering roads, drainage, electricity, water and sewage systems for the streets. The health and service unit, the municipal school and the sewage treatment plant are completed. 47 houses have been completed and 73 are under construction. 202 projects were filed with the Mariana City Hall.
- The infrastructure of Paracatu de Baixo is at an advanced stage, with earthworks being carried out for access roads and areas of the plots of land, containments, storm drains, treated water pipeline, and sewage network. The construction of the two schools and health center is in progress. In all, 16 houses started the civil construction stage and 68 projects were filed with the city hall.
- The Renova Foundation, in response to requests from families in Gesteira, submitted a proposal and entered into agreements with 28 family units for the acquisition of real property through the model of compensation of the right to housing, known as family resettlement. Of these families, 22 have acquired their property, being 18 properties already in the name of the affected parties. The others continue to be assisted in one of the stages of the acquisition process. The family resettlement agreements were judicially ratified within the scope of the ACP. After the purchase of the property and transfer of ownership to the person responsible for the family unit, the Renova Foundation is responsible for assisting the family in moving to new homes, and developing actions to restore economic and productive activities, using as a reference the practices of families prior to the dam failure.

Non-financial data is subject to more inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of data materiality, relevance and accuracy are subject to individual assumptions and judgments.

For more information on the evolution of the programs, access [www.fundacaorenova.org](http://www.fundacaorenova.org).

### **Impacts of Covid-19**

The Renova Foundation, as a response to the unique situation in the first months of 2020, acted in a comprehensive, agile and adaptable manner. From the beginning, it recognized that the new coronavirus pandemic would cause a major global health crisis, with lasting impacts for the whole of society.

Renova, with the aim of protecting its employees and communities, and following the guidelines of the World Health Organization and the Ministry of Health, took measures to reduce the circulation

of people starting in March 2020. Renova arranged for all direct employees to work remotely, suspended administrative activities at the CIM (Mediated Indemnity Centers) and CIA (Information and Service Centers) offices, and temporarily stopped field activities in construction and forest rehabilitation, maintaining only some emergency and essential actions.

These measures remained in place throughout 2021, in whole or in part, following the main criterion of keeping people safe. The restrictions imposed by Covid-19 had different impacts on the activities of the Renova Foundation, and above all affected: the theories of change in projects and programs, especially those of a socio-economic nature, with a focus on economic recovery, on the new demands of the territory, on the interrelationships between the public and private sector, and in the restructuring and modernization of production chains, such as tourism and agriculture; in socio-environmental programs, with income generation for environmental service providers and the development of innovative solutions for the recovery and preservation of native vegetation; and finally, in the performance of major works, on account of sanitary protocols, the control of the flow of people, and the economic-financial balance of the agreements.

### **Strategy and allocation of funds**

The amounts of budget performance of the TTAC programs by Renova Foundation, and the amount realized by Samarco, are presented below, in order to demonstrate compliance with the commitment of allocation for the year 2021. The TTAC sets annual contributions to be made by the sponsors for the formation of the assets necessary for the Renova Foundation to perform the programs. Annual contributions are defined for the purpose of funding programs of two different natures:

- I. **Compensation programs:** have a determined total value of BRL 4.10 billion and involve two fronts. The first one is the financing of the program for Sewage Collection and Treatment and Disposal of Solid Waste (PG 31), totaling BRL 500.0 million. The second one, with a total of BRL 3.60 billion, distributed in annual installments of BRL 240.0 million, for 15 years, starting in 2016, is intended for different initiatives of a compensation nature, such as the recovery of springs and Permanent Preservation Areas and Water Recharge. Funds are inflation adjusted over time by the IPCA, or another index that may replace it, in compliance with clause 257.
- II. **Remediation programs:** there is no ceiling, that is, the necessary actions must be implemented without being conditioned to established amounts. Actions and measures aimed at mitigating, remediating and/or compensating socio-environmental and socio-economic impacts directly derived from the failure of the Fundão dam are considered of a remediation nature.

### **Application of funds**

BRL 8,273.5 million were invested in TTAC programs in 2021, of which BRL 8,101.0 million by Renova Foundation and BRL 172.5 million by Samarco.



Chart 1: Monthly economic performance - BRL million

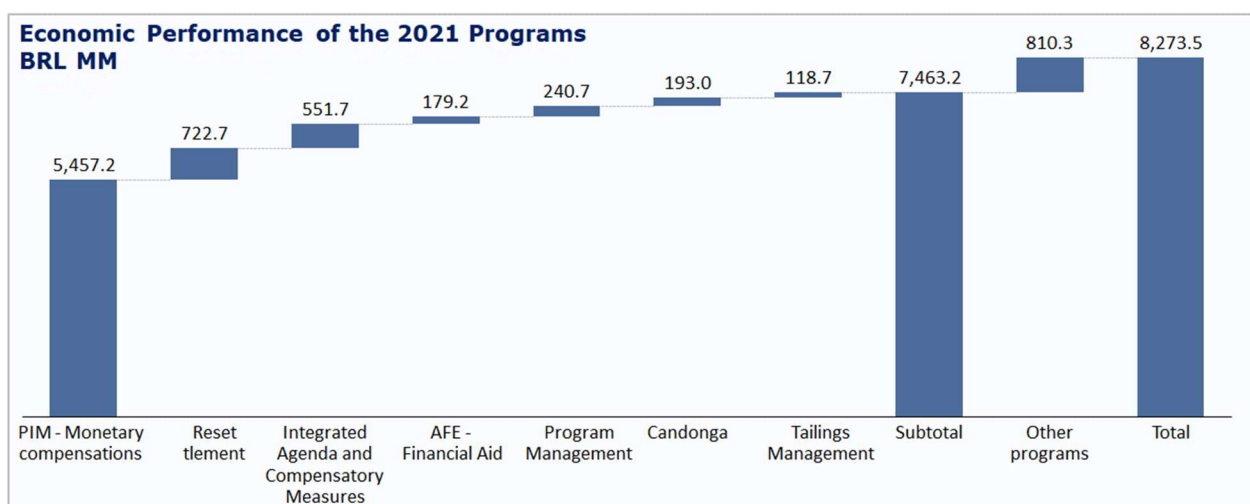


Chart 2: Economic performance of programs in 2021 - BRL million

The economic performance of the programs until 2021 totaled BRL 19,603.7 million, of which BRL 17,568.3 million by Renova Foundation and BRL 2,035.4 million by Samarco.



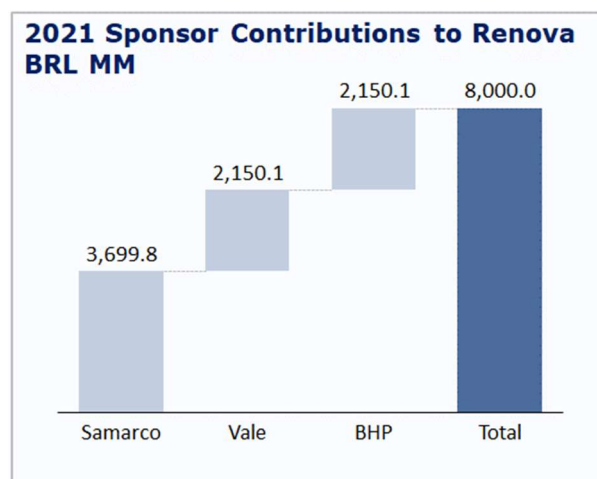
Chart 3: Annual and accrued economic flow - BRL million



*Chart 4: Economic performance of programs (accrued) - BRL million*

#### Source of funds: funding from the sponsors

In order to fulfill the obligations for 2021, BRL 8,000.0 million were invested in Renova Foundation in 2021, by the sponsors Samarco, Vale S/A and BHP Billiton Brasil Ltda, as shown below:



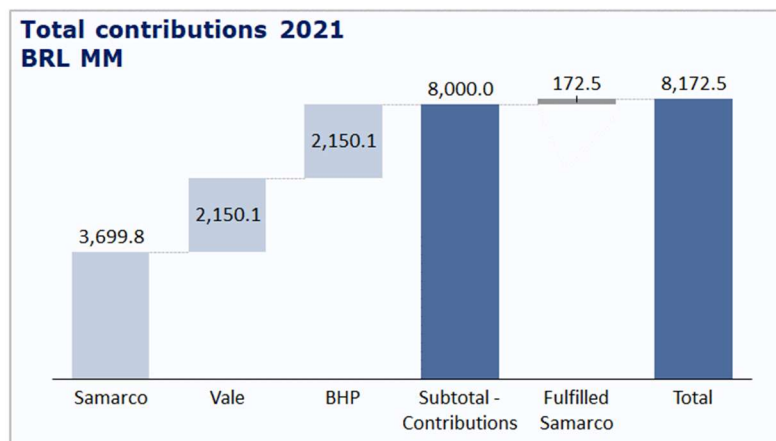
*Chart 5: Contributions to the Renova Foundation 2021 - BRL million*

In addition to the BRL 8,000.0 million contribution to Renova, BRL 172.5 million were paid by Samarco for program activities in which it participated in 2021 to comply with the TTAC programs.



*Chart 6: Economic performance of Samarco 2021 – BRL million*

These amounts are considered in the annual contributions and, added to the investments in Renova, come to BRL 8,172.5 million in investments in 2021.



*Chart 7: Total contributions 2021 - BRL million*

### **Compliance with clause 232 - Contributions to compensation programs**

Contributions to compensation programs, in compliance with clause 232 (BRL 240 million), duly inflation adjusted by the IPCA (BRL 57.6 million), totaled BRL 297.6 million, already considered in the total amount contributed of BRL 8,000 million by the sponsors to the Renova Foundation in 2021.

### **Transfer of the total allocation for 2021**

For the consolidation of the 2021 contributions, the funds transferred by the sponsors through deposits to the Renova Foundation and the amounts recorded by the sponsor Samarco were considered, for the purpose of complying with TTAC program actions, duly audited. Please find below a breakdown of the allocation of the amounts contributed by the sponsors, and the amounts invested by Samarco in programs, totaling BRL 8,172.5 million.

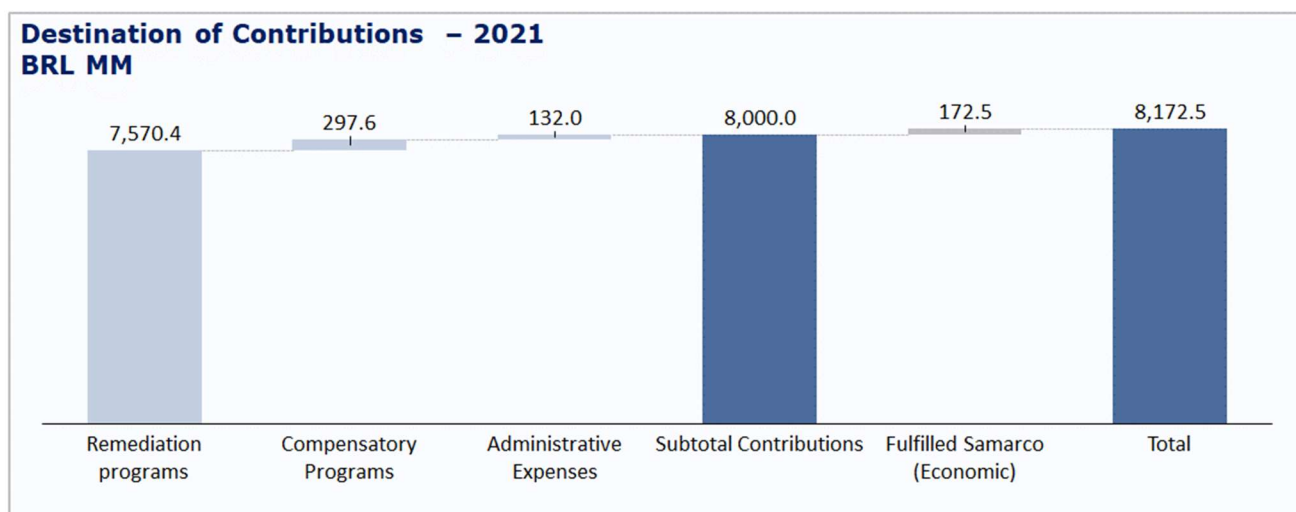


Chart 9: Allocation of contributions in 2021 – BRL million

Cumulative contributions made directly to Renova Foundation totaled BRL 19,010.3 million, which, added to the amounts disbursed by Samarco to fund the programs, came to BRL 21,045.8 million.

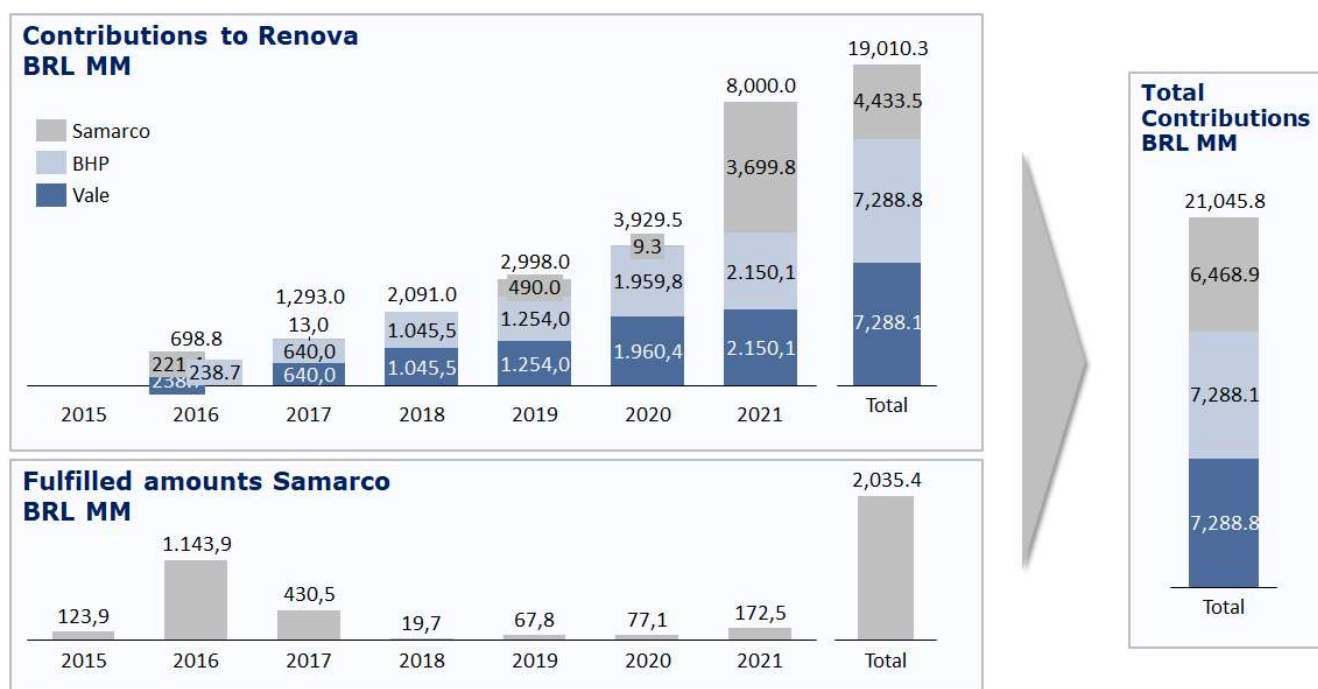


Chart 10: Accrued contributions - BRL million

Additionally, amounts held in escrow by ACP 0400.15.004335-6 (ACP Mariana) are part of the contributions to Renova, pursuant to item II of clause 227 of the TTAC. Of the initial amount of BRL 300 million, BRL 62.9 million was released by December 2021, leaving BRL 237.1 million in escrow. Considering the frozen balance of BRL 237.1 million, relative to funds allocated to the performance of the programs, the accumulated contributions totaled BRL 21,282.8 million.



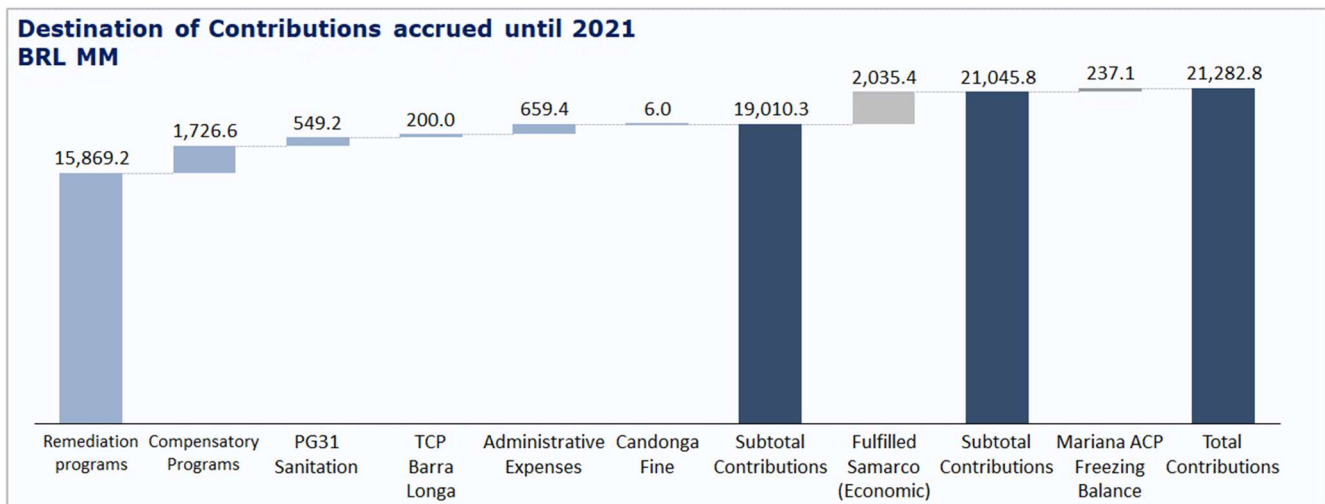


Chart 11: Allocation of contributions (accrued) - BRL million

### Cash position

Renova's total cash at the end of December 2021 amounted to BRL 1,211.2 million, of which BRL 641.7 million refer to funds for PG31 - Sanitation (clause 169), and the remainder allocated to other Renova obligations for programs, mainly to indemnities with accepted proposals and in court approval, and administrative expenses.

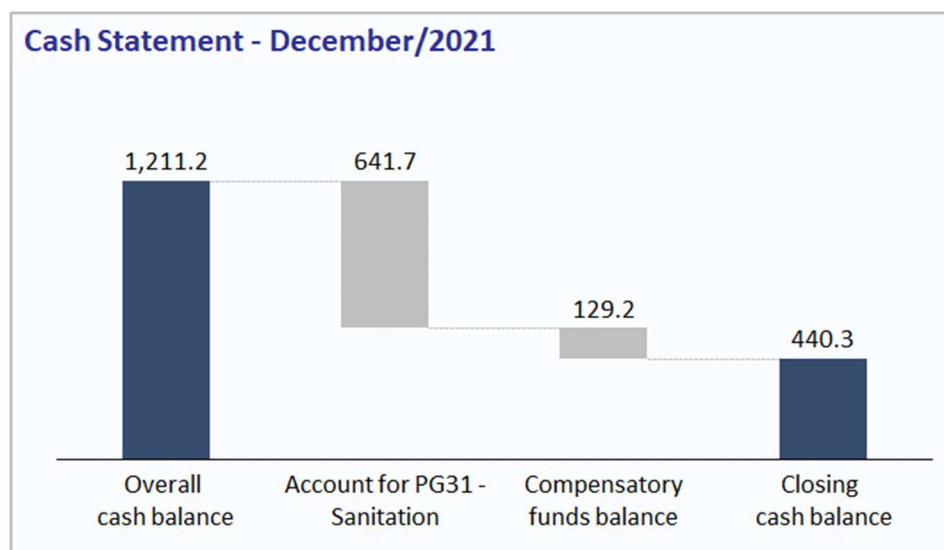


Chart 12: Cash statement in Dec/2021 - BRL million

### Management expenses

All expenses related to the cost of Renova's corporate structure are treated as management expenses. The total amount realized in 2021 was BRL 321.7 million, of which 58% (BRL 186.4 million) were allocated to final expenses - a structure directly focused on the performance of programs, and the remainder (BRL 135.3 million), administrative expenses of the support areas, except provisions and taxes recorded directly in the expense accounts.

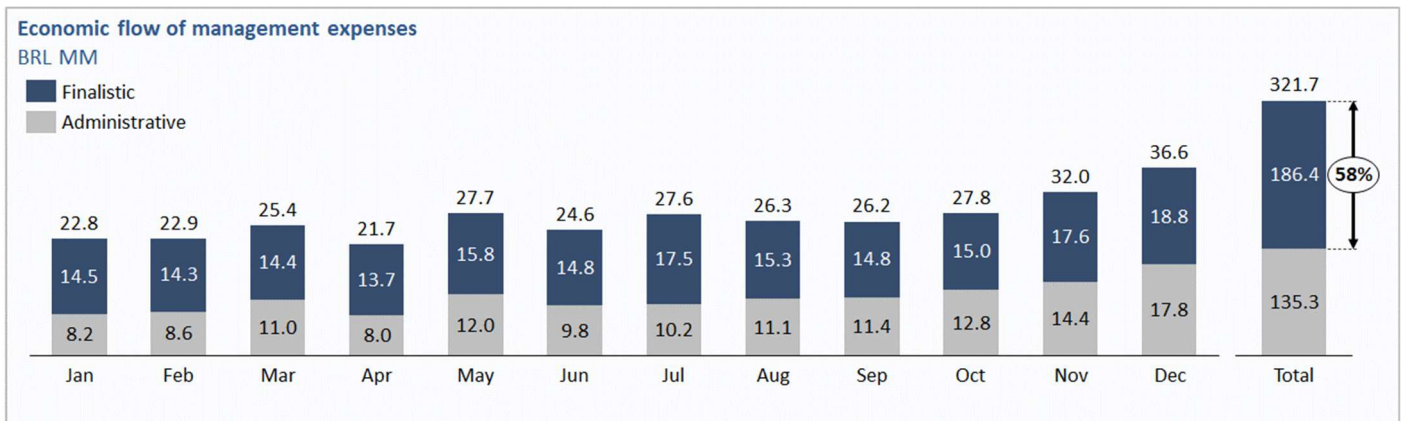


Chart 13: Economic flow of management expenses 2021 - BRL million

### Governance system costs

In addition to expenses for carrying out program actions and administrative expenses, Renova is responsible for funding the meetings and travel expenses of CIF governance members, as well as those affected, in compliance with the provisions of the TAC Governança. The amount realized with the cost of the governance system in 2021 was BRL 4.1 million.

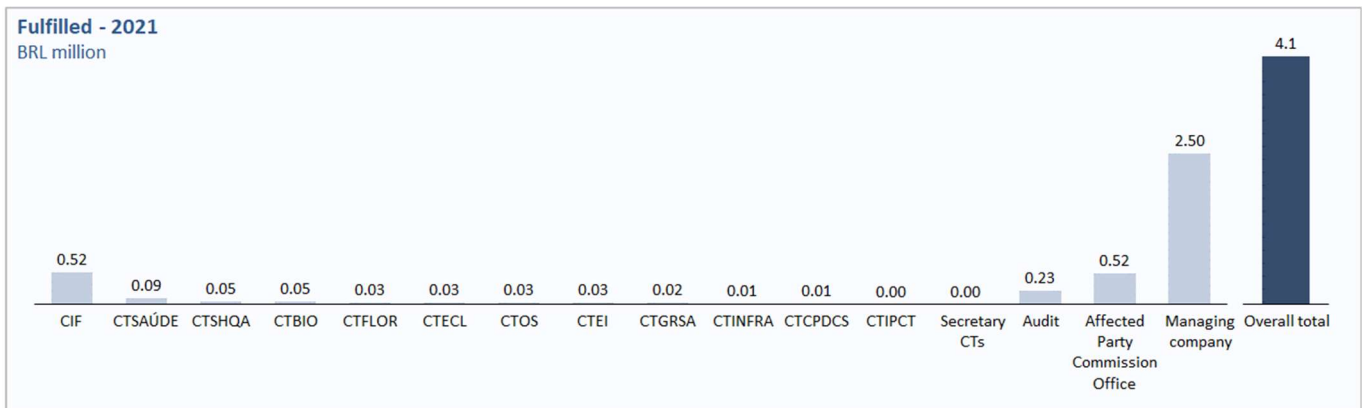


Chart 14: Costs incurred in the 2021 governance system - BRL million

The cost of the governance system started in August 2018, and the amounts realized since that period totaled BRL 15.3 million.

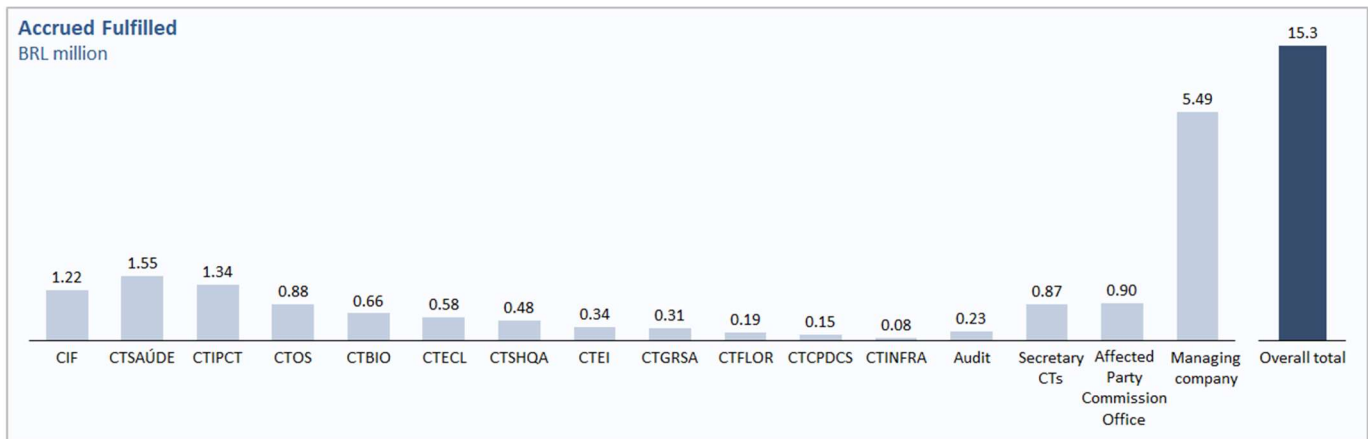


Chart 15: Costs incurred in the governance system (accrued) - BRL million

### Direct economic value generated and distributed

The operations carried out by Renova Foundation in 2021 generated BRL 328.1 million in municipal and federal taxes.

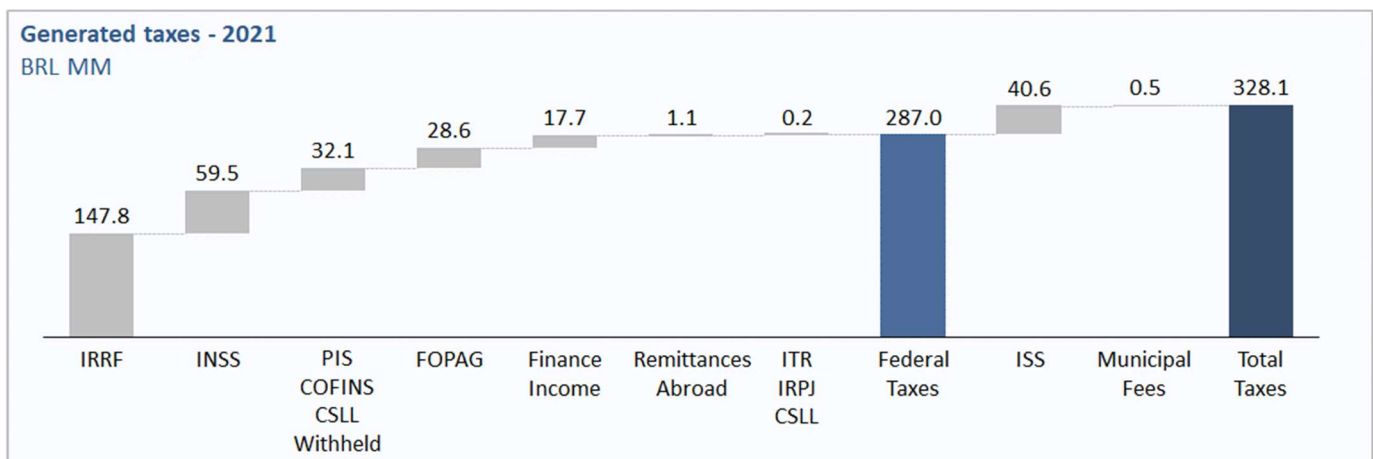


Chart 16: Taxes generated in 2021 - BRL million

For the period between 2016 and 2021, the tax burden was BRL 215.3 million for direct taxes. In addition to direct taxes, the operations carried out by the organization generated BRL 772.8 million in municipal and federal indirect taxes withheld since the beginning of its operations. The total amount calculated up to December 2021 was BRL 988.0 million.

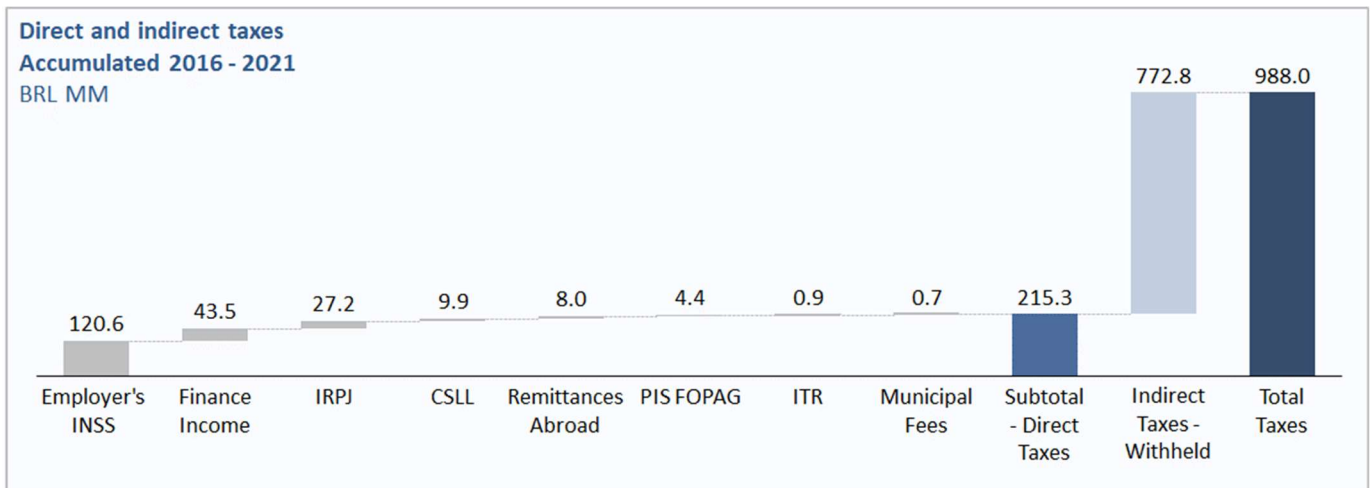


Chart 17: Direct and indirect taxes (accrued) – BRL million

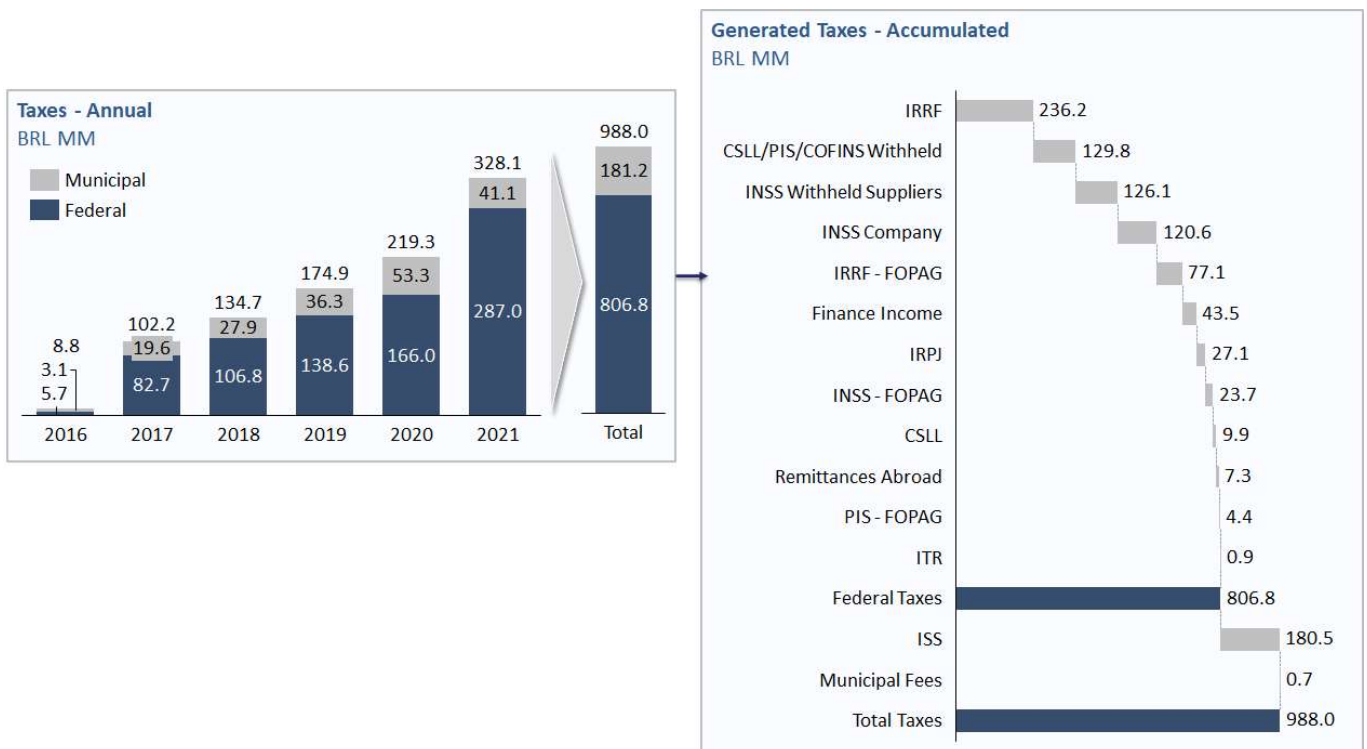


Chart 18: Annual evolution of taxes - BRL million

## Prospects for 2022

BRL 10.46 billion were budgeted for the year 2022. This forecast comprises, which does not generate obligations, the costs for the performance of the TTAC programs (BRL 10.23 billion), administrative expenses (BRL 199.2 million), and the cost of the governance system (BRL 23.5 million).

The funds needed to carry out the activities planned for the next year are estimated at BRL 9.77 billion, of which BRL 322.0 million for compensation programs (clause 232), and the remainder to

meet the performance of remediation programs, administrative expenses, and costing of the governance system.

The sponsors of the Renova Foundation are committed to meeting the obligations assumed by Renova Foundation and to subsidizing future investments that are classified in the program's policies. To this end, the sponsors will make sufficient contributions to cover the obligations projected for the next year.

Judicial decisions can change the projection, especially for indemnities, which add up to a considerable amount of resources. The Renova Foundation is prepared to cover the short-term liabilities from any such decisions.

At the same time, the Renova Foundation will seek to build solutions that provide communities with conditions for the resumption of economic activity in a sustainable, diversified and inclusive manner. The organization is also committed to transforming the actions provided for in the TTAC into development-inducing fronts, with short-, medium- and long-term initiatives, with a focus on remediation.

## **Summary**

BRL 19.60 billion have been invested in the programs since December 2015, in actions related to the socio-economic and socio-environmental impacts arising from the failure of the Fundão dam, of which BRL 18.02 billion in remediation actions and BRL 1.58 billion in compensation actions.

In 2021 alone, funds invested in programs totaled BRL 8.27 billion, BRL 4.78 billion more than in 2020. Administrative management expenses totaled BRL 135.3 million, except for provisions and taxes recorded directly in expense accounts, and the cost of the governance system required BRL 4.1 million in 2021.

Indemnities paid reached BRL 5.63 billion in 2021 and BRL 8.71 billion in the aggregate, for water damage (BRL 303.3 million) and general damage (BRL 6.72 billion), in addition to financial aid (BRL 1.68 billion).

The sponsors directly contributed with BRL 19.01 billion to Renova Foundation, of which BRL 8.00 billion in 2021.

The distribution of funds reflects the materiality and complexity of the programs, affecting the generation of value, in addition to providing input for decisions related to future investments.

The financial statements are presented below, in accordance with accounting practices adopted in Brazil.

## **Executive Board**

André Giacini de Freitas  
CEO

Adriano Haueisen Batista  
Chief Planning and Management Officer

Carlos Eduardo Vaz de Mello Tannus  
Chief Engineering and Works Officer

Flavio Chantre  
Chief Institutional Relations Officer

Luiz Antônio Roris Rodrigues Scavarda do Carmo  
Chief Program Officer

## BALANCE SHEET

As at December 31  
In thousands of reais

(A free translation of the original in Portuguese)

### ASSET

<b>Current</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	3	440,339	290,974
Restricted financial investments	3	770,856	1,130,494
Taxes recoverable	4	19,357	6,006
Prepayment - Partnerships and agreements	5	143,337	125,320
Other assets	6	40,564	16,451
<b>Total current assets</b>		<b>1,414,453</b>	<b>1,569,245</b>
<b>Non-current</b>			
Assets for third parties	7	1,464,919	1,048,215
Amounts receivable - <i>Fundo Desenvolve Rio Doce</i>	8	50,946	47,606
Court deposit	15	40,593	8,355
Property and equipment	9	38,214	22,429
Intangible assets	9	3,817	5,691
Right-of-use asset	9	1,222	1,860
<b>Total non-current assets</b>		<b>1,599,711</b>	<b>1,134,156</b>
<b>TOTAL ASSETS</b>		<b>3,014,164</b>	<b>2,703,401</b>

### LIABILITIES AND NET EQUITY

<b>Current</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Trade payables	10	232,795	127,260
Salaries, provisions and payroll taxes	11	19,249	18,090
Taxes payable	12	44,017	26,568
Indemnities payable and others	13	75,822	150,341
Socio-environmental and socio-economic obligations	14	467,314	1,708,274
Contribution - administrative expenses to be appropriated	17.a	32,879	43,175
Lease liabilities	9	917	1,407
Other liabilities		4,914	651
<b>Total current liabilities</b>		<b>877,907</b>	<b>2,075,766</b>
<b>Non-current</b>			
Socio-environmental and socio-economic obligations	14	2,180,764	675,862
Provision for lawsuits	15	14,057	9,743
Lease Liabilities	9	305	453
<b>Total liabilities</b>		<b>3,073,033</b>	<b>2,761,824</b>
<b>Equity</b>			
Social equity	16	18,350,904	10,482,904
Transfer to account of socio-environmental and socio-economic obligations	16	(18,350,904)	(10,482,904)
Deficit for the year		(58,869)	(58,423)
<b>Total net equity</b>		<b>(58,869)</b>	<b>(58,423)</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>		<b>3,014,164</b>	<b>2,703,401</b>

Management's notes are an integral part of the financial statements.

**STATEMENT OF SURPLUS (DEFICIT)**  
**Years ended December 31**

(In thousands of reais)

(A free translation of the original in Portuguese)

	Note	2021	2020
Income			
Operating income - contributions	17	7,676,644	2,821,178
Contribution income	17	142,296	160,119
Income from volunteer services	17	3,734	2,925
<b>Total income</b>		<b>7,822,674</b>	<b>2,984,222</b>
<b>Operating expenses</b>			
Programs	18	(7,676,644)	(2,821,178)
General and administrative	19	(142,296)	(160,119)
Volunteer service	19	(3,734)	(2,925)
<b>Total operating expenses</b>		<b>(7,822,674)</b>	<b>(2,984,222)</b>
<b>Operating surplus before financial result</b>		<b>-</b>	<b>-</b>
<b>Financial result</b>			
Financial income	20	74,892	24,668
Financial expenses	20	(134,002)	(82,879)
Net exchange rate gains/losses		42	(214)
Other operating income		2	2
<b>Deficit before income tax and payroll taxes</b>		<b>(59,066)</b>	<b>(58,423)</b>
Income tax and payroll taxes	12	197	-
<b>Deficit for the year</b>		<b>(58,869)</b>	<b>(58,423)</b>

Management's notes are an integral part of the financial statements.



## STATEMENT OF COMPREHENSIVE INCOME

Years ended December 31

(In thousands of reais)

(A free translation of the original in Portuguese)

	2021	2020
Deficit for the year	(58,869)	(58,423)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(58,869)</b>	<b>(58,423)</b>

Management's notes are an integral part of the financial statements.

**STATEMENT OF CHANGES  
IN EQUITY**

**Years ended December 31**

(In thousands of reais)

(A free translation of the original in Portuguese)

	Note	Equity	Transfer	Accumulated surplus (deficit)	Total
<b>Balance at December 31, 2019</b>		<b>6,707,173</b>	<b>(6,707,173)</b>	<b>13,246</b>	<b>13,246</b>
Contribution of sponsors	16	3,775,731	-	-	3,775,731
Transfer to account of socio-environmental and socio-economic obligations	16	-	(3,775,731)	(13,246)	(3,788,977)
Deficit for the year		-	-	(58,423)	(58,423)
<b>Balance at December 31, 2020</b>		<b>10,482,904</b>	<b>(10,482,904)</b>	<b>(58,423)</b>	<b>(58,423)</b>
Allocation of sponsors	16	7,868,000	-	-	7,868,000
Transfer to account of socio-environmental and socio-economic obligations	16	-	(7,868,000)	58,423	(7,809,577)
Deficit for the year		-	-	(58,869)	(58,869)
<b>Balance at December 31, 2021</b>		<b>18,350,904</b>	<b>(18,350,904)</b>	<b>(58,869)</b>	<b>(58,869)</b>

Management's notes are an integral part of the financial statements.

**STATEMENT OF CASH FLOWS****Years ended December 31**

(In thousands of reais)

(A free translation of the original in Portuguese)

	Note	2021	2020
<b>Cash flows of operating activities</b>			
Deficit for the year		(58,869)	(58,423)
<b>Adjustments to reconcile deficit for the year with cash generated by operating activities:</b>			
Depreciation and amortization	9	4,415	4,671
Accruals for socio-environmental and socio-economic obligations	14	126,011	79,082
PCLD - Fundo Desenvolve Rio Doce	8	1,659	1,561
Provision for lawsuits	15	4,314	6,421
		<b>77,530</b>	<b>33,312</b>
<b>(Increase) reduction in operating assets:</b>			
Account receivable - Fundo Desenvolve Rio Doce	8	(4,999)	(3,091)
Court deposits	15	(32,239)	(7,747)
Taxes recoverable	4	(13,350)	10,164
Prepayment - Partnerships and agreements	5	(18,017)	(3,149)
Other assets	6	(24,112)	28,004
<b>Increase (decrease) in operating liabilities:</b>			
Trade payables	10	105,535	(92,470)
Salaries, provisions and payroll taxes	11	1,160	3,329
Taxes payable	12	17,449	7,148
Indemnities payable and others	13	(74,519)	(16,008)
Socio-environmental and socio-economic obligations	14	196,354	957,644
Contribution - administrative expenses to be appropriated	17.b	(10,296)	(6,356)
Other liabilities		4,260	634
<b>Net cash generated by operating activities</b>		<b>224,756</b>	<b>911,414</b>
<b>Cash flows from investing activities</b>			
Assets for third parties	7	(416,704)	(631,455)
Acquisition of Property and equipment and intangible assets	9	(18,326)	(10,954)
Restricted financial investments - investments	3	(240,000)	(240,000)
Restricted financial investments - income earned	3	(88,053)	(62,461)
Restricted financial investments - withdrawals	3	687,692	295,732
<b>Net cash used in investing activities</b>		<b>(75,391)</b>	<b>(649,138)</b>
<b>Net increase in the balance of Cash and cash equivalents</b>		<b>149,365</b>	<b>262,276</b>
Cash and cash equivalents at the beginning of the year	3	290,974	28,698
Cash and cash equivalents at year end	3	440,339	290,974
<b>Net increase in the balance of Cash and cash equivalents</b>		<b>149,365</b>	<b>262,276</b>

Management's notes are an integral part of the financial statements.

## 1. Operational context

The Renova Foundation ("Foundation" or "Entity") is a non-profit, private legal entity organized on June 24, 2016, and established in the city of Belo Horizonte - MG, with its principal place of business at Avenida Getúlio Vargas 671, 4th floor. The Renova Foundation's founders and sponsors are Samarco Mineração S.A. (Samarco) - as Main Sponsor - Vale S.A. (Vale) and BHP Billiton Brasil Ltda. (jointly the sponsors), which are responsible for the allocation of the required funds to carry out its activities.

The Foundation is governed by its by-laws and applicable legislation. Its sole purpose is the management and implementation of the measures defined in the socio-economic and socio-environmental programs, including the promotion of social assistance to the population affected by the failure of the Fundão dam, owned by Samarco, as detailed in the Transaction and Conduct Adjustment Agreement (TTAC), entered into on March 2, 2016 by and between Samarco, Vale, BHP Billiton Brasil Ltda. and several government agencies.

### **The Renova Foundation has the following registrations and titles:**

- Public deed of an institution registered at the Registry Office of the 2nd Notary Office of the judicial district of Belo Horizonte, book 2800N, pages 052 and 053, on June 29, 2016;
- By-laws registered at the Registry Office for Civil Registration of Legal Entities of the judicial district of Belo Horizonte under No. 138160 on July 5, 2016;
- National Corporate Taxpayers' Register (CNPJ) under No. 25.135.507/0001-83.

### **1.1 Update on the request for intervention, rejection of accounts and termination of the Renova Foundation by the Public Prosecution Office of Minas Gerais - Prosecutor's Office Specialized in Tutelage of Foundations (MPMG)**

On February 24, 2021, the Public Prosecution Office of the State of Minas Gerais ("MPMG") filed a public civil action No. 5023635-78.2021.8.13.0024, pending before the 5th Civil Court of the Judicial District of Belo Horizonte, for the purpose of ordering a judicial intervention in the Renova Foundation, with the establishment of a transitional design and the termination of the Entity, given an alleged deviation from purpose defined in its statutory objectives.

Following this action filed by the MPMG, the Attorney General's Office - AGU in the capacity of representative of the Interfederative Committee (CIF), the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA), the Chico Mendes Institute for Biodiversity Conservation (ICMBio), the National Mining Agency (ANM), and the National Water Agency (ANA) petitioned the 12th Federal Court of the Minas Gerais Judicial District in Belo Horizonte, responsible for PJe Public Civil Action No. 1024354-89.2019.4.01.3800 (physical record No. 0069758-61.2015.4.01.3400) for the creation of a priority decision axis, aimed at remodeling the governance process.

On 03.16.2021, the Judge of the 12th Federal Court granted the preliminary injunctions in order to launch Priority Axis No. 13, aiming at carrying out a complete diagnosis of the Renova Foundation, to be conducted by an external expert appointed by the court (A.T. Kearney Ltda.), who included in the work plan a report on "the performance of an organization, the purpose of which is to deliver a complex program, involving different initiatives to be

evaluated based on four fundamental dimensions", namely, "Governance, Program Preparation, Resources and Monitoring.

The Federal Government and the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) presented at the Superior Court of Justice the Conflict of Jurisdiction No. 179.834, in order to declare that the 12th Civil and Agrarian Federal Court of the Judicial District of the State of Minas Gerais (SJMG) has jurisdiction to prosecute and judge ACP No. 5023635-78.2021.8.13.0024, a request granted on 05.24.2021 to suspend the aforementioned Public Civil Action, and confirm the jurisdiction of the 12th Federal Court to judge all actions with diffuse or collective impact on the remediation and compensation process resulting from the failure of the Fundão dam.

On 11.03.2021, the appointed court expert submitted the Preliminary Report that, in general, concluded that Renova's structure is adequate and is in a position to proceed with the remediation process, complying with the directives of the governance system, requiring merely normal adjustments to some of its practices, and a new current governance design, so that remediation can proceed at the appropriate pace to meet the needs of the territories and the affected parties.

The court expert work resumed the work on 03.14.2022, with a view to completing the Supplementary and Final Phase, as required by the parties.

## **1.2 Effects of the pandemic caused by COVID-19**

Renova, aiming to protect its employees and communities, and following the guidelines of the World Health Organization, the Ministry of Health, and the Brazilian governmental authorities took measures to reduce the circulation of people as from 03/16/2020. Renova arranged for all direct employees to work from home, suspended administrative activities at the CIM (Mediated Indemnity Centers) and CIA (Information and Service Centers) offices, and temporarily stopped field activities in the works and forest recovery, maintaining only some emergency and essential actions. The main criterion used for the temporary interruption and resumption of activities was to ensure the safety of staff and communities.

Because the duration required for social distancing was unknown, the actions taken to mitigate the spread of the pandemic had different impacts on the activities of the Renova Foundation. These affected: changes in projects and programs, especially those of a socio-economic nature, with a focus on economic recovery, on the new demands of the territory, on the interrelationships between the public and private sector, and the restructuring and modernization of production chains, such as tourism and agriculture; in socio-environmental programs, with income generation for environmental service providers and the development of innovative solutions for the recovery and preservation of native vegetation; and finally, in the performance of major works, on account of sanitary protocols, the control of the flow of people, and the economic-financial balance of the agreements.

In this scenario, the Entity has been monitoring the effects on its operations, and in the appraisal of the main estimates and critical accounting judgments, as well as on other balances with the potential to generate uncertainties and impacts on the financial statements.

The more significant were:

- Impairment of non-financial assets;
- Expected loss on financial investments;
- Renegotiations of leasing agreements, mainly those referring to resettlement works.

The Covid Committee continues to monitor the pandemic and if matters change, new recommendations will be communicated, according to the best practices and the analysis of the situation at the time of decision making.

### **1.3 Approval of the issuance of financial statements**

The issuance of these financial statements was authorized by the Board of Trustees on April 28, 2022, and the Fiscal Council issued its favorable opinion on April 13, 2022.

## **2. Presentation of the financial statements and main accounting policies**

The financial statements are presented in thousands of reais, unless stated otherwise. The main accounting policies applied in the preparation of these financial statements are defined below.

### **2.1 Statement of compliance and preparation basis**

The financial statements were prepared in accordance with accounting practices adopted in Brazil, including the provisions of Resolution No. 1409/12 of the Federal Accounting Council, which approved the Technical Interpretation "Non-Profit Entities – ITG 2002 (R1)", and the pronouncements issued by the Accounting Pronouncement Committee ("CPC"), approved by the Federal Accounting Council - CFC, and include all, and only, information of significance to the financial statements, which are consistent with that used by management in the performance of its duties.

The preparation of the financial statements requires Renova Foundation's Management to make judgments in determining and recording accounting estimates. Renova Foundation reviews estimates and assumptions at least annually. Those areas that require a higher level of judgment and are more complex, as well as areas in which assumptions and estimates are significant for the financial statements are disclosed in Note 2.5.

### **2.2 Changes in accounting policies and disclosures**

Certain accounting standards and interpretations were issued or revised for the year ended December 31, 2021. The Entity has not early adopted any of these standards and does not expect these standards to have a material impact on the financial statements in subsequent periods.

- Reform of IBOR - Phase 2: amendments to IFRS 9/CPC 48, IAS 39/CPC 38 and IFRS 7/CPC 40 - "Financial Instruments", to IFRS 16/CPC 06(R2) - Leases, to IFRS 4/CPC 11 "Insurance Agreements".

- Benefits Related to Covid-19 Granted to Lessees in Lease Agreements: amendments to IFRS 16/CPC 06(R2) "Leases": extension of the application of the practical measure for recognition of reductions obtained by the Company in lease payments directly in the income for the year and not as an amendment to the agreement, by June 30, 2022.

### **2.3 CPC 06 (R2) - Leases**

CPC06 (R2) introduces a single model for accounting for leases for lessees, which are required to recognize the liability for future payments and the right to use the leased asset, for practically all leasing agreements, including operating leases. Certain short-term or low-value agreements may be outside the scope of this new standard.

The Entity recognized new assets ("right-of-use asset") for its lease agreements the lease of its administrative and operational properties. Such costs are now recognized in income with a liability for the right-of-use asset, and interest expense related to lease obligations.

The measurement of the new agreements were: (i) The value of the lease liability was calculated based on the present value of the remaining lease contracts, discounted, using the incremental rate (discount) of 14.00% p.a., quoted at Caixa Econômica Federal, on the date of initial application, and (ii) the value of the right-of-use asset on the date of initial application was measured using a simplified approach.

### **2.4 ICP 22 – "Uncertainty on the Treatment of Income Taxes"**

ICPC 22 - "Uncertainty on the Treatment of Income Taxes": this interpretation clarifies how to measure and recognize current and deferred income tax assets and liabilities (IR/CS), in light of CPC 32, in cases where there is uncertainty on treatments applied in the calculation of the respective taxes. Renova's management evaluated the main tax treatments adopted in the outstanding periods, subject to questioning by the tax authorities, and concluded that there is no significant impact to be recorded in the financial statements.

### **2.5 Critical accounting estimates and judgments**

The preparation of financial statements requires the use of critical accounting estimates, as well as the exercise of judgment by Renova Foundation's Management in the process of applying accounting policies that affect the disclosed amounts of assets, liabilities and expenses.

Accounting estimates and judgments are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances.

Based on assumptions supported by CPC 25 "Provisions, Contingent Liabilities and Contingent Assets" and CPC 01 (R1) "Impairment of Assets", Renova Foundation makes forward-looking estimates. By definition, the resulting accounting estimates will rarely be equal to the respective actual results. The estimates and assumptions that present a significant risk with probability of causing a material adjustment in the carrying amounts of assets and liabilities for the coming year are as below.

### **2.5.1. Provisions for civil, tax and labor risks**

The Entity recognizes a provision for civil, labor and tax claims. The appraisal of the probability of loss includes available evidence, the hierarchy of laws, available precedents, the most recent court decisions and their relevance in the legal system, as well as the assessment of internal and external legal counsel.

Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, conclusions of tax inspections or additional exposures identified based on new matters or court decisions.

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the uncertainties inherent to the process of their determination. The Entity reviews its estimates and assumptions on a monthly basis.

Provisions are recorded when the amount of loss is probable and can be reasonably estimated, as disclosed in Note 15.

### **2.5.2. Provision for doubtful accounts**

Renova Foundation reviews the amounts receivable with a view to identifying indicators of losses, in order to establish a provision for doubtful accounts. The accounting policy to establish the provision requires the individual analysis of the credits considering their maturity dates.

## **2.6 Functional currency and presentation currency**

The financial statements were prepared in Brazilian Real/Reais (BRL or R\$), which is the functional currency and the main economic environment in which Renova Foundation operates, generates and consumes cash, and which is also its presentation currency.

## **2.7 Cash and cash equivalents**

They include cash balances, bank deposits and short-term investments, the maturities of which on the effective date of the investment are equal to or less than three months and present a negligible risk of change to fair value.

## **2.8 Financial instruments**

### **2.8.1. Financial assets**

The Entity recognizes receivables and deposits initially on the date they were originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the trade date, which is the date on which the Entity becomes a party to the contractual provisions of the instrument.

The Entity classifies non-derivative financial assets in the following categories: financial assets recorded at fair value through profit or loss and amortized cost.



#### **2.8.1.1 Financial assets recorded at fair value through profit or loss**

A financial asset is recognized as measured at fair value through profit or loss if it is classified as “held for trading”, that is, designated as such at the time of initial recognition. Financial assets are designated at fair value through profit or loss if the Entity manages such investments and makes purchase and sale decisions based on their fair values, in accordance with the Entity’s documented risk management and investment strategy. Transaction costs are recognized in profit or loss, as incurred. Financial assets recorded at fair value through profit or loss are measured at fair value, and changes in the value of these assets are recognized in profit or loss for the year.

#### **2.8.1.2 Amortized cost**

These are assets initially recognized at fair value plus any attributable transaction costs. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment loss.

Loans and receivables include accounts receivable, amounts receivable from Fundo Desenvolve Rio Doce and other credits.

### **2.10.1. Financial liabilities**

All financial liabilities (including liabilities designated at fair value recorded in profit or loss) are initially recognized on the trade date, on which the Entity becomes a party to the contractual provisions of the instrument. The Entity writes off a financial liability when its contractual obligations are discharged, canceled or expired.

The Entity classifies non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Entity has the following non-derivative financial liabilities: trade payables and other accounts payable.

#### **2.10.2. Trade payables and other accounts payable**

Trade payables and other accounts payable are obligations for goods and services that were acquired in the normal course of its statutory activities, and are classified as current liabilities if payment is due in the normal course, for up to 12 months. After this period, they are presented in non-current liabilities. The amounts are initially recognized at fair value and subsequently, if necessary, measured at amortized cost using the effective interest rate method.

#### **2.10.3. Impairment loss of financial assets**

The Entity assesses on each reporting date whether the credit risk of a financial instrument has increased significantly since initial recognition. When making this assessment, the Entity uses the change in default risk, which occurs over the expected life of the financial instrument, reflecting the amount of expected credit losses. To make this assessment, the Entity compares the risk of default that occurs in the financial instrument on the reporting date with the risk of default that occurs in the financial instrument on the date of initial recognition, and must consider reasonable and sustainable information, available without

excessive costs or efforts, which are an indication of significant increases in credit risk since initial recognition. By virtue of the COVID-19 pandemic, management delved into the asset impairment tests from the perspective of CPC 48 - Financial Instruments, and found the need to recognize provision (Note 8).

#### **2.10.4. Non-current assets for third parties**

These are assets classified as assets for third parties, where Renova Foundation is committed to a program that has an acquisition plan for the construction of assets (or set of assets), in which the transfer is considered highly probable. These assets are valued at acquisition, formation or construction cost.

#### **2.9 Property and equipment and intangible assets**

Property and equipment and intangible assets are recorded at acquisition, donation, formation or construction cost.

Depreciation and repayment start from the date the assets are installed and available for use.

Depreciation and repayment are calculated based on the straight-line method, considering their costs and residual values over the estimated useful life. The accounting residual useful life was reviewed according to the appraisal report of movable and immovable assets carried out by a specialized company, as shown in the table below:

<b>Asset class</b>	<b>Residual useful life</b>
Machinery and equipment	08 years
Furniture and fixtures	08 years
Data Processing Equipment	05 years
Systems - Software	05 years

#### **2.10 Taxes Payable**

##### **2.10.1. Income tax and CSLL**

Income tax and CSLL are calculated in accordance with interpretations arising from current legislation. This process usually involves complex estimates to determine taxable income (Note 12). Management periodically evaluates the positions taken by the Entity in the income tax returns regarding situations in which the applicable tax regulations give rise to interpretation. It establishes provisions, when appropriate, based on amounts that must be paid to the tax authorities.

## **2.11 Employee benefits**

### **(a) Health care**

Renova Foundation grants benefits involving life insurance, private pension plan and medical assistance plan to employees and employees' dependents, which observe the accrual basis of accounting, being terminated after termination of employment with Renova Foundation.

### **(b) Private pension plan**

The current value of the plan's obligations depends on a series of factors that are determined based on actuarial calculations, using assumptions. The actuarial valuation report was prepared in accordance with CPC 33 (R1), by Willis Towers Watson (independent actuaries), and contains an estimate of the cost of the defined benefit, which is a post-employment benefit plan under which the Entity pays fixed contributions to a separate Entity (ValiaPrev). There is no legal or constructive obligation to pay additional amounts, all results presented are in compliance with applicable actuarial practice standards (Note 11 b).

## **2.12 Liabilities of socio-environmental and socio-economic obligations**

These are the contributions received by Renova Foundation from its sponsors, which are linked to responsibilities for obligations to do under TTAC agreements, and which initially pass through social equity and are recognized in the liabilities of socio-environmental and socio-economic obligations. These obligations are controlled in accordance with the short- and long-term commitments approved in the budget, which in 2021 followed the following assumption:

- Program for Sewage Collection and Treatment and Disposal of Solid Waste (PG 31) - considering that the total balance in this "category" amounts, in December 2021, to BRL 638,767, recognized BRL 56,337 as current, taking as an assumption the budget information and the remainder as non-current liabilities;
- Other compensation programs - whereas the total balance of this "category", in December 2021, amounts to BRL 541,439, recognized BRL 408,024 as current, based on budget information and the remainder as non-current liabilities.
- The remediation costs that make up the Bento Rodrigues, Paracatu and Gesteira reconstruction program are being recognized as Assets for third parties and are classified in non-current assets (item 2.8.5), and will only be recognized in profit or loss, upon completion of this program, scheduled for December 2023.
- Whereas such expenses will only be recognized in profit or loss when the properties are transferred by Renova Foundation to the affected parties, the amount contributed for the resettlement program, which remained in the liabilities of socio-environmental and socio-economic obligations in current liabilities by 2020 was reclassified to socio-environmental and socio-economic obligations in non-current liabilities in December 2021, in the amount of BRL 1,464,919.

As these obligations are fulfilled, the liability are relieved to income, in accordance with ITG 2002, such income will be recognized at amounts identical to the expenses incurred to fulfill the respective obligations in the same accounting period, except, as explained above, the expenses that make up the Bento Rodrigues, Paracatu and Gesteira reconstruction program.

### **2.13 Equity**

Comprises the allocation of its founding grantors (sponsors), as provided for in the public deed of organization of Renova Foundation, plus or minus the surplus or deficit calculated in each year.

### **2.14 Calculation of surplus (deficit)**

Profit or loss is calculated on the accrual basis of accounting and includes income and expenses, as well as earnings, interest/ indexation and exchange gains/losses, at official indices or rates, levied on current and non-current assets and liabilities.

#### **(a) Recognition of contribution income**

The contributions made by the sponsors to cover administrative expenses are initially recognized in liabilities when the amounts are actually received and, subsequently, are recorded as income when the corresponding expenses occur.

#### **(b) Recognition of income and expenses from volunteer work**

The services provided by the sponsors, Board of Trustees, Advisory Board and Fiscal Council were recognized when effectively performed, and as required by the Technical Interpretation "Non-Profit Entities" – ITG 2002 (R1).

The amounts were measured at fair value and recorded as if a disbursement had occurred, that is, inflow and outflow of funds.

Such amounts were accounted for as income and expense in the same amount without generating changes in the surplus/deficit for the year and equity.

#### **(c) Financial income and financial expenses**

Financial income is recognized at fair value and refers to income from interest on financial investments.

Financial expenses include expenses penalties, IOF, bank charges, and adjustment for inflation by the IPCA of socio-environmental and socio-economic obligations. Foreign exchange gains and losses are reported on a net basis.

### **2.15 Financial risk management**

#### **Financial risk factors**

The Entity's activities expose it to financial risks, namely: credit risk and liquidity risk. The Entity's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Entity's financial performance.

Risk management is carried out by the Entity's treasury, in accordance with policies approved by the Board of Trustees and Management procedure.

#### **(a) Credit risk**

Credit risk arises from Cash and cash equivalents, contractual cash flows arising from financial assets measured at amortized cost, at fair value through profit or loss, deposits in banks, and other financial institutions, as well as credit exposures of amounts receivable from the Fundo Desenvolve Rio Doce.

Credit risk is managed with partner financial institutions. For operations carried out to promote local activities (Fundo Desenvolve Rio Doce), the risk rating is performed by the financial institution, responsible for the intermediation of the funds, through its credit analysis area, which evaluates the credit quality of the counterparty, taking into account their financial position, past experience and other factors. Individual risk limits are determined based on internal or external ratings of financial institutions. The use of credit limits is regularly monitored. The funds made available to parties are settled through financial institutions.

The following financial assets held by the Entity are subject to the expected credit loss model:

- amounts receivable - Fundo Desenvolve Rio Doce; and
- financial assets measured at amortized cost.

Although Cash and cash equivalents are also subject to the impairment requirements of CPC 48, during 2020 due to the Covid-19 pandemic, inflationary pressures were noted affecting some financial assets, which stabilized during the course of the year.

Management performed more detailed asset impairment tests under CPC 48 Financial Instruments and recorded a provision (Note 8).

#### **(b) Liquidity risk**

The cash flow forecast is carried out by the Treasury. This department monitors rolling forecasts of the Entity's liquidity requirements, to make sure that it has sufficient cash to meet operating needs and obligations set by the TTAC.

Financial investments linked to programs are transferred to the Treasury. Treasury invests in interest-bearing bank accounts, time deposits, short-term deposits, and bonds and securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margin, as determined by the forecasts.

### **3. Cash and cash equivalents and restricted financial investments**

The amounts received by Renova Foundation from the sponsors (BHP Billiton Brasil Ltda., Vale and Samarco), which are not used immediately in remediation and compensation actions, were invested in top-rated Brazilian financial institutions, in fixed income securities, as also sovereign funds, funds backed by private credit, CDB's, repo, fixed-rate operations), considering the low risk classification level, with daily liquidity, using the CDI index as benchmark. These short-term investments are recorded at fair value, as periodically updated by financial institutions.

### a) Cash and cash equivalents

	2021	2020
<b>Cash and banks</b>		
In Brazil	510	296
<b>Financial investments</b>		
In Brazil	439,829	290,678
	<b>440,339</b>	<b>290,974</b>

The excess cash balance will be invested in other remediation programs and in the maintenance of Renova Foundation (financial expenses).

Cash and cash equivalents in unrestricted financial investments are held in CDBs of short-term liquidity at first-rate banks, with an average yield in 2021 at 99.5% of the CDI.

### b) Restricted financial investments

Part of the funds contributed by the sponsors is destined exclusively in accordance with the TTAC provisions and, therefore, are managed separately, as below:

DESTINATION	NOTE	2021	2020
Compensation programs - clause 232 TTAC	(i)	129,167	510,836
Sanitation and solid waste programs - PG31	(ii)	641,689	595,853
"TCP-Barra Longa" Reserve	(iii)	-	23,805
<b>Total</b>		<b>770,856</b>	<b>1,130,494</b>

- i. Funds received for projects of a compensation nature, as provided for in clause 232 of the TTAC invested in CDBs of short-term liquidity, at first-line banks, with an average yield in 2021 at 110.76% of the CDI. In 2021, BRL 240,000 were received, adjusted for inflation by the IPCA (BRL 297,559) and BRL 690,857 were disbursed, and in the same year, BRL 11,628 were reclassified from remediation to compensation expenses, which resulted in an accumulated balance of the programs at the end of the year of BRL 129,167.
- ii. A total of BRL 641,689 (2020 – BRL 595,853) is held in a segregated account, distributed in two investment funds, namely, Itaú Corporate Diferenciado IQ FICFI (112.53% CDI return) and Itaú BBA RF Crédito Privado Active FIX5 FICFI (93.39% CDI return). This amount is intended for actions exclusively related to the preparation of basic sanitation plans, preparation of sewage system projects, implementation of sewage collection and treatment works, eradication of waste dumps, and implementation of regional landfills (TTAC wording), where such funds shall be fully transferred to the municipalities indicated by the Interfederative Committee (CIF). Transfers to municipalities began in 2019.

- iii. Renova Foundation was appointed by the sponsors to manage the "TCP-Barra Longa Reserve", an instrument entered into by and between Samarco, Vale and BHP Billiton Brasil Ltda. and the Public Prosecution Office, to create a reserve of BRL 200,000 for remediations for the population of Barra Longa and surrounding areas, this amount was deposited in 2017 as negotiated. The final balance of BRL 23,805 was fully used in 2021.

## 4. Taxes recoverable

		2021	2020
IRRF without financial investment and others	(a)	13,876	828
Corporate income tax (IRPJ) recoverable	(b)	4,607	4,533
ISS recoverable	(c)	712	667
(-) Provision for losses		(515)	(515)
INSS on payroll recoverable	(d)	319	323
CSLL recoverable	(e)	206	10
Other taxes recoverable	(f)	152	160
		<b>19,357</b>	<b>6,006</b>

- a) IRRF withholding on financial investments, due to the change in the Entity's tax status, from being immune to being exempt.
- b) Corporate income tax (IRPJ) - overpayment from estimates of calculation of corporate income tax and IRRF on financial income, derived from redemptions during the calendar year. The credit will be offset in 2022.
- c) ISSQN - Tax on services of any nature recoverable - overpayment from to the municipalities where Renova carries out remediation and compensation projects. In 2018, the Renova Foundation reviewed the payment to the municipalities of Rio Doce and Santa Cruz do Escalvado, for the period from August 2016 to March 2018, due to services performed on the bed of the Doce River, which is also the border between both municipalities. The result of this work generated requests for refund in both locations, in the total amount of BRL 515. Whereas the receipt of such amounts depends on the administrative decision of the municipal governments, the Entity created a provision for loss.
- d) INSS on payroll recoverable - overpayment of INSS on payroll, which will be offset in 2022.
- e) CSLL - Payroll taxes on net income - overpayment due to CSLL estimates, which will be offset in 2022.
- f) Other taxes recoverable - taxes withheld from suppliers, usually service providers, which will be offset in 2022.

## 5. Prepayments - Partnerships and agreements

In 2021, the Renova Foundation reviewed the provision of funds, expanding Partnerships and Agreements, and transfers to other institutions, aimed at mutual assistance in the development of research activities, new technologies, and performance of projects within the scope of the TTAC Programs. In 2021 there was a major diversification in the investment of funds, as detailed below. All these transfers were carried out according to the schedule of disbursements provided for in the Settlement Agreements and upon rendering of accounts for the previous stage.

	2021	2020
Monitoring of aquatic biodiversity – Espírito Santo	43,283	47,495
Technical assistance to affected population in Barra Longa and surrounding areas	29,208	18,958
Conservation and biodiversity	11,839	11,689
Social protection and health remediation	10,913	4,537
Forest recovery	8,649	5,958
Recovery of springs and basic sanitation	7,537	6,937
Tourism Culture Recreation Sports	6,623	-
Engagement of youngsters and strengthening of community leaders	6,198	6,623
Environmental education	5,791	-
Innovation	3,578	-
Technical assistance and rural extension	3,566	4,050
Assignment of labor for resettlement projects	2,866	7,122
Forestry consultancy and support for degraded areas	697	997
Other partnerships	2,589	10,954
	<b>143,337</b>	<b>125,320</b>

## 6. Other assets

Comprised mainly of advance payments to suppliers in Brazil, for resettlement works in the municipalities of Bento Rodrigues and Paracatu, and the provision of services of support to the management and inspection of such works, for programs in the impacted areas.

	2021	2020
Advance to Brazilian suppliers	36,169	14,573
Prepaid expenses - Insurance	2,411	393
Other assets	1,984	1,485
	<b>40,564</b>	<b>16,451</b>



## 7.Assets allocated to third parties

In 2016, the Renova Foundation initiated the investments for the resettlement program for Bento Rodrigues, Paracatu and Gesteira, as provided for in the TTAC, prepared with the active participation of future residents. This project is on a par with projects for the construction of new cities, with public equipment, paving of roads, and power, water and sewage networks.

Resettlement programs continue to advance, with the construction of dozens of homes and the completion of infrastructure in the new districts. In Mariana (MG), the focus in the Bento Rodrigues resettlement at this time is the construction of residences: 47 houses are completed and 73 are under construction (unaudited information). The infrastructure works, the health and service unit, the Municipal school, and the sewage treatment plant are also completed.

In Paracatu de Baixo, also in Mariana (MG), 16 houses have already started the civil construction stage. The infrastructure is at an advanced stage, 93% complete (unaudited information), with earthworks being carried out on access roads and in the areas of the plots of land, containments, works on the rainwater drainage network, treated water pipeline and sewage network. The paving of the main access has been completed and the works on the schools are in progress.

All expenditures incurred in these programs remain classified in non-current assets. This classification will continue until after full completion of this program, which is scheduled for December 2023 when all built property assets and public facilities are delivered to new owners and, therefore, recognized in the profit or loss of Renova Foundation.

The amounts that make up this category are shown below:

		2021	2020
Civil works, topography and drilling	(a)	1,128,188	798,439
Management and others	(b)	168,462	108,834
Engineering design	(c)	72,014	50,779
Land	(d)	56,913	56,606
Consulting and environmental studies	(e)	31,921	26,898
Support, communication and dialogue	(f)	7,421	6,659
		<b>1,464,919</b>	<b>1,048,215</b>

- a) Expenses with civil works, earthworks, drilling and topographic services of the land acquired.
- b) Expenses with management of the works in Bento Rodrigues, Paracatu for the operation and maintenance of the projects related to the programs provided for in the TTAC.
- c) Expenditures related to expenses with the procurement of engineering, conceptual and urban projects.

- d) Acquisition of land, land tenure regularization, and inspection for the construction of housing and infrastructure of the community resettlement program.
- e) Consulting and environmental studies necessary to support the project performance phase, as well as actions for environmental licensing and other measures.
- f) Communication, advertising, events expenses, as well as all support for the works (food, travel, vehicles, surveillance, IT, among others).

## 8. Amounts receivable - Fundo Desenvolve Rio Doce

	2021	2020
Fundo Desenvolve Rio Doce MG	35,345	29,342
Fundo Desenvolve Rio Doce ES	13,524	12,325
Fundo Compete Rio Doce MG	5,297	7,500
	<b>54,166</b>	<b>49,167</b>
(-) Allowance for Doubtful Accounts	(3,220)	(1,561)
	<b>50,946</b>	<b>47,606</b>

The Desenvolve Rio Doce and Compete Rio Doce Funds were created from a partnership between the Renova Foundation, the Espírito Santo Development Bank (BANDES), and the Minas Gerais Development Bank (BDMG), to offer credit facilities to micro and small companies in 39 municipalities in the States of Minas Gerais and Espírito Santo. For the creation of the Funds, the Renova Foundation made available the amount of BRL 40,000, of which BRL 30,000 for the State of Minas Gerais and BRL 10,000 for the State of Espírito Santo. On December 31, 2021, the balance was BRL 54,166, reflecting the surplus condition of both funds. Of these, BRL 30,446 are available in the Funds' cash, and the other BRL 23,720 were borrowed for over a term of 24 months.

Management assessed the risk of expected loss on the receivables, on 12/31/2021, and created an allowance for doubtful accounts in the amount of BRL 3,220.

The Fundo Desenvolve Rio Doce was launched in October 2017 and its tenure is ten years, and may be extended for an equal period. Since its creation, in October 2017, the Fundo Desenvolve Rio Doce, formed to promote the local economy, has released BRL 60,828 for working capital financing for small- and medium-sized companies, of which BRL 8,870 in 2021. As of November 2017, the Fund started to receive the borrowed amounts.

The Compete Rio Doce Fund is a fund created to supplement the Fundo Desenvolve Rio Doce that offers management guidance through specialized consulting (oriented credit), which was launched in February 2019, and as of March 2019 started to receive the borrowed amounts, being available for 27 months, meeting the defined period of validity of two years. However, it ended its activities for new loans in May 2021 and BRL 7,181 were made available throughout its period of operation.

Both Funds are repayable, at competitive interest rates, below market average and with extended terms. The credit facilities can be used for working capital and other modalities, including investment. From the beginning of both Funds to December 31, 2021, 2,167 credit operations (unaudited) were carried out, totaling the released amount of BRL 68,009. The disbursements made by the Fundo Desenvolve Rio Doce contributed to the maintenance of more than 8,300 job positions in Minas Gerais and Espírito Santo.

## **9. Property and equipment and intangibles**

Due to the consolidation and maturity of the Renova Foundation's units and offices, in 2021, there were no major investments in furniture, machinery, IT equipment and intangibles.

Additions were made to Property and equipment in progress, mainly the construction of the Fazenda Floresta complex, in the Municipality of Rio Doce – MG, which aims at recovering the Risoleta Neves Hydroelectric Power Plant. Investments in 2021 totaled BRL 18,501, of which BRL 14,729 for civil works, earthworks, containments, dikes and drainage of the Fazenda Floresta complex.

### **9.1 Impairment analysis**

In 2021, the Renova Foundation identified operational and economic events and changes that indicated impairment of assets in the Fazenda Floresta complex, in the Municipality of Rio Doce - MG.

Thus, in compliance with CVM 583/09, which approved CPC 27 - Fixed Assets and CPC 01, as approved by CVM 527, a specialized firm was contracted to prepare an appraisal for Fixed Asset Management and Asset Impairment Test (Impairment). It concluded that the impairment was of BRL 419, which was charged to income.

### **9.2 Useful life and residual book value**

In compliance with technical pronouncement CPC 27 – Fixed Assets, Renova Foundation concluded in December 2021 the inventory and appraisal of its assets, in which the residual useful life of its assets was reviewed, as well as the presentation of the residual book value.

There were no significant changes in the standards, methods and values of depreciation, which was attested and evidenced by the appraisal report for movable assets, which showed that the state of conservation of the assets of the Renova Foundation are suitable for the continuation of operations.

### a) Fixed Assets

The table below shows the change in assets balances for property and equipment:

	Balances in 2019	Additions / Write-offs	Depreciation	Balances in 2020	Additions / Write-offs	Depreciation	Impairment	Transfer	Balances in 2021
Improvements to third-party assets	1,880	709	(1,546)	1,043	146	(687)	-	-	502
Data processing equipment	3,350	1,199	(1,051)	3,498	201	(1,548)	-	749	2,900
Machinery and equipment	5,442	(109)	(759)	4,574	82	(549)	-	-	4,107
Fixed assets in progress	4,104	5,980	-	10,084	17,033	-	-	-	27,117
Furniture and fixtures	1,696	704	(239)	2,161	23	(262)	-	-	1,922
Land	1,069	-	-	1,069	1016	-	(419)	-	1,666
<b>Total Fixed Assets</b>	<b>17,541</b>	<b>8,483</b>	<b>(3,595)</b>	<b>22,429</b>	<b>18,501</b>	<b>(3,046)</b>	<b>(419)</b>	<b>749</b>	<b>38,214</b>

### b) Intangible assets

Intangible assets are accounted for pursuant to CPC 04 or IAS 38. Intangible assets and rights are classified by their nature.

The assets lives are determined as defined or indefinite. Renova Foundation intangible assets are classified as having a defined useful life being mostly business management software.

The appraisal firm report for Fixed Asset Management services, was based on the Historical Cost method, not changing their residual book values, as well as their respective economic useful lives currently used.

	Balances in 2019	Additions	Repayment	Balances in 2020	Additions	Repayment	Transfer	Balances in 2021
Software Systems	4,296	2,753	(1,358)	5,691	244	(1,369)	(749)	3,817
<b>Total Intangible Assets</b>	<b>4,296</b>	<b>2,753</b>	<b>(1,358)</b>	<b>5,691</b>	<b>244</b>	<b>(1,369)</b>	<b>(749)</b>	<b>3,817</b>

### c) Right-of-use asset - Leases - CPC 06 (R2)

Renova Foundation recognized the right-of-use asset and corresponding lease liability for leases fixed assets in the balance sheet.

	Balances in 2019	Additions	Repayment	Balance in 2020	Additions	Repayment	Balances in 2021
Right-of-use assets	3,554	1,538	(3,232)	1,860	825	(1,463)	1,222
<b>Total Lease</b>	<b>3,554</b>	<b>1,538</b>	<b>(3,232)</b>	<b>1,860</b>	<b>825</b>	<b>(1,463)</b>	<b>1,222</b>

### d) Liabilities - Leases - CPC 06 (R2)

	Balances in 2019	Additions	Transfers	Repayment	Financial expenses	Balances in 2020	Additions	Transfers	Repayment	Financial expenses	Balances in 2021
Current	2,890	875	873	(3,767)	536	1,407	692	281	(1,761)	298	917
Non-current	664	662	(873)	-	-	453	133	(281)	-	-	305
<b>Total</b>	<b>3,554</b>	<b>1,537</b>	<b>-</b>	<b>(3,767)</b>	<b>536</b>	<b>1,860</b>	<b>825</b>	<b>-</b>	<b>(1,761)</b>	<b>298</b>	<b>1,222</b>

### e) Loan-for-use assets

In 2016, Renova Foundation received, as a loan from its sponsors Samarco and Vale, assets to carry out its operational and administrative activities. In 2019, Renova Foundation partially returned some IT equipment, furniture and fixtures. The other items on loan remain at Renova Foundation to date, and basically consist of furniture, fixtures, IT and telecommunication equipment.

Additionally, in 2018, the Entity received the following land on a loan:

- Vale – Fazenda Mina da Alegria (property registration #10,034) and Fazenda Fábrica Nova (property registration #17,189);
- Samarco – Fazenda Asa Branca (property registration #15,313 - 95.93ha area);
- Aliança Group - Land (property registration #1,553).

The amounts reported are the residual book values of these assets recorded in the companies' books that own them.

As Renova Foundation's obligation is to return these items to the sponsors, at the end of the contracted period, the amounts of these assets are recorded as follows:

<b>LOAN-FOR-USE ASSETS</b>	<b>2021</b>	<b>2020</b>
Land	2,027	2,027
Furniture and fixtures	176	176
Data processing equipment	7	7
<b>Subtotal</b>	<b>2,210</b>	<b>2,210</b>

<b>LOAN-FOR-USE ASSETS TO BE RETURNED</b>	<b>2021</b>	<b>2020</b>
Land	(2,027)	(2,027)
Furniture and fixtures	(176)	(176)
Data processing equipment	(7)	(7)
<b>Subtotal</b>	<b>(2,210)</b>	<b>(2,210)</b>

## 10. Trade payables

The balance of trade payables is made up by amounts payable to service providers and purchase of material as below:

	<b>2021</b>	<b>2020</b>
Domestic market	232,795	127,242
Foreign market	-	18
	<b>232,795</b>	<b>127,260</b>

## 11. Payroll, provisions and payroll taxes

a) The balance of salaries, provisions and contributions is detailed below:

		<b>2021</b>	<b>2020</b>
Vacation provision	(a)	14,823	14,039
INSS of employees payable	(b)	3,106	2,846
FGTS payable	(c)	1,084	993
Others	(d)	236	212
		<b>19,249</b>	<b>18,090</b>

- a) The vacation provision is proportional to the period worked, considering the legal requirements.
  - b) Employee contribution, duly withheld for transfer to the National Institute of Social Security – INSS.
  - c) Monthly contribution of 8% of the employee's salary, mandatory for the employer, pursuant to the legislation in force.
  - d) It is mainly composed of amounts payable for PIS on payroll and group life insurance for the Entity's permanent employees.
- b) On 12/31/2021, the Entity's ValiaPrev Benefit Plan presented a surplus. According to Technical Pronouncement CPC 33 (R1), the asset can only be recognized if it is clearly evidenced that this asset can effectively reduce the sponsor's contributions or that it will be refundable in the future.

However, as the surplus cannot be converted into an economic benefit for the Entity, it will return to ValiaPrev plan. The asset limit to be recognized is zero, as shown in the table below.

<b>Fiscal Year Closing</b>	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>
1 Present value of the obligation (PVO)	(9,599)	(5,146)
2 Fair Value of Assets (VJA) <sup>1</sup>	18,110	19,884
3 Surplus/(deficit)	8,511	14,738
4 Unrecoverable surplus (asset cap effect)	(8,511)	(14,738)
5 Net assets/(liabilities) of defined benefit	-	-

The main actuarial risks are: life span higher than expected in the life-table analysis, lower than expected turnover, higher than expected salary growth, return on equity below the actuarial discount rate plus the accumulated variation of the IPC-BR and actual family composition of retirees different from the established hypothesis.

Participant data used in the actuarial valuation is summarized below:

<b>Registration date</b>		<b>30-Jun-2021</b>	<b>30-Jun-2020</b>
<b>Active Participants</b>	Number	558	528
	Average Annual Salary	160,514	152,669
	Average age	41.37	41.02
	Average Length of Service	3.48	2.93
<b>Assisted Participants</b>	Number	2	1
	Annual Average Benefit	239,240	31,652

#### **Assumptions used in the assessments:**

Renova Foundation considers that the actual rate of 2.00% reflects the salary readjustment policy that the Entities are committed to implementing in the future. Combined with the inflation rate, the nominal rate is 5.32% p.a., up to age 55.

<b>Fiscal Year Closing</b>	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>
1 Discount rate	8.720%	7.170%
2 Inflation rate	3.250%	3.250%
3 Salary growth rate	5.320%	5.320%
4 Growth of benefits granted	3.250%	3.250%
5 Growth of deferred benefits	N/A	N/A
6 Registration date	30-Jun-21	30-Jun-20

Willis Towers Watson suggests adopting a long-term inflation of 3.25% p.a., estimated on the basis of the expectations of the Willis Towers Watson Investment Committee after the analysis and projection of macroeconomic scenarios developed at the September 2021 meeting (still valid in December) and Renova Foundation chose to use this long-term inflation rate in its assessments.

All participant data was provided by the plan administrator on the base date of registration and was adjusted to reflect terminations that occurred after that date.

**Benefits assessed in this report:**

- Normal Retirement Income;
- Early Retirement Income;
- Supplementation of the Disability Pension;
- Supplementation of Surviving Spouse Pension;
- Income of Surviving Spouse Pension;
- Income of Deferred Benefit due to Dismissal;
- Supplementation of Annual Bonus;
- Annual Allowance Income;
- Redemption

## 12. Taxes payable

		2021	2020
IRRF - Interest and indexation compensation LC (Loss of Profit)	(a)	21,306	9,144
IRRF - Withholding tax	(a)	9,763	4,687
ISS - Withholding of service tax	(a)	5,509	6,335
INSS - withheld from suppliers	(a)	3,783	4,054
Federal taxes withheld	(c)	3,080	2,252
Taxes on financial income	(b)	576	96
		<b>44,017</b>	<b>26,568</b>

- a) Taxes withheld from suppliers, generally service providers, and from indexation compensations paid to individuals and legal entities;
- b) Amounts payable related to direct taxes arising from Renova's operations.
- c) Withholding of federal taxes PIS, COFINS and CSLL, in accordance with Law 13,137/2015 of June 19, 2015.

### Income taxes and payroll taxes on net income

Renova Foundation is subject to income tax at the rate of 15%, plus a surcharge of 10% and a rate of 9% of the payroll taxes on the profit arising from the financial profit/loss.



	2021	2020
<b>Current tax</b>		
Current income tax for the year	-	-
Adjustments from previous years	197	-
<b>Total current tax</b>	<b>197</b>	<b>-</b>
<b>Deferred tax (a)</b>		
Generation and reversal of temporary differences	3,478	2,428
Generation and reversal of tax losses	9,129	15,062
(-) Write-off of IR/CS deferred due to non-recoverability	(12,607)	(17,490)
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>Income Tax and Payroll taxes Expense</b>	<b>197</b>	<b>-</b>

	2021	2020
<b>Profit before tax</b>	<b>(59,066)</b>	<b>(58,423)</b>
<b>Tax calculated based on local tax rates (34%)</b>	<b>20,082</b>	<b>19,864</b>
Non-deductible expenses for tax purposes	(10,646)	(4,802)
Tax losses for which no deferred tax has been recognized	(9,436)	(15,062)
Others	197	
<b>Tax charge</b>	<b>197</b>	<b>-</b>

#### (a) Deferred income tax and payroll taxes

The tax loss calculated in 2021 essentially arises from the adjustment for indexation inflation by the IPCA, socio-environmental and socio-economic obligations, as determined by clause 237 of the TTAC, deducting the income from financial investments earned in the same period.

The occurrence of tax losses and negative tax basis would give rise to the recognition of deferred income tax and payroll taxes, thus establishing a deferred tax asset, as established by CPC 32 - Income Taxes. However, Renova Foundation was responsible for performing an analysis regarding the recoverability of this tax asset, through projections of future taxable income.

Such projections were prepared based on Management's best estimates. However, they involve several assumptions that are not under the control of Renova Foundation, such as inflation rates, interest rates and other economic uncertainties in Brazil, future results may differ materially from those considered in the preparation of this projection.

Management believes future taxable profits subject to taxation at the rates of 25% for Income Tax and 9% for Payroll taxes will not be sufficient to recover the tax assets; hence, the Entity did not recognize the balances of deferred Income Tax and social contribution.

### 13. Indemnities payable and others

The Entity procures significant volumes of third-party services to carry out its activities. As of December 31, 2021, some of its suppliers, for various reasons, did not have all the elements in place for invoicing the services already provided and approved. Additionally, the Entity has work fronts, in several municipalities, for the negotiation of monetary compensations for LC – Loss of Profits, from the damage caused by the failure of the Fundão Dam, generating commitments of amounts payable. Thus, management established its existing obligations, on the accruals basis, based on its internal controls and measurements. The monetary compensations and services already performed and not billed, are as below:

		2021	2020
Monetary compensation - Loss of Profit	(a)	67,547	135,714
Consulting	(b)	4,644	357
Earthworks	(c)	837	-
Licensing Services	(d)	801	-
Expert technical services	(e)	791	-
Reimbursement to Municipalities	(f)	-	10,707
Civil works	(g)	-	164
Other contracted services	(h)	1,202	3,399
		<b>75,822</b>	<b>150,341</b>

- a) Loss of Profit - Loss of Profit corresponds to the income that the affected party had as a result of his/her productive activity and which was interrupted as a direct consequence of the Fundão dam failure. The monetary compensation for loss of profit refer to the period of duration of the impact until 2021 and are due to those affected parties who had their economic activities impacted, even if partially. Pursuant to a decision issued by the CIF, payments of loss of profits must be made in the year following that in which it occurs, that is, by 03/31/2022.
- b) Independent technical consulting services on rural properties, safety measures for the recovery of the Candonga reservoir, Fazenda Floresta, recovery of the Risoleta Neves HPP, tailings management program, water adduction and catchment program and interfaces with other programs along the channel of Doce River, in the states of Minas Gerais and Espírito Santo, aiming at meeting audit demands (Public Civil Action) to the detriment of the affected parties. Both services have already been performed, measured, but not yet billed.
- c) Earthworks related to the Resettlement of Paracatu de Baixo/MG.
- d) Licensing services for Microsoft software and cloud services.
- e) Expert technical services, in compliance with a court decision, for experts working in the expert work plan of the Integrated Agenda for Public Civil Action (ACP).

- f) Reimbursement to city halls - reimbursement of extraordinary expenses due to the Fundão Dam failure, agreed in the CIF, which were assumed by Renova Foundation with the municipalities, according to the amounts described in the official letters. Discharge agreement was signed and paid in 2021.
- g) Civil works: construction and maintenance services for fences on properties and roads, reconstruction of properties and infrastructure in the Barra Longa region, asphalt paving, bioengineering for environmental rehabilitation, bus services at the Risoleta Neves HPP, engineering and construction of soccer field, radar monitoring and rental service, rockfill transportation service and Intermediate and Main Sector 11 dike, containment works in sheet piling wall at Novo Bento Rodrigues in Mariana-MG, both services have already been performed, measured, but not yet billed.
- h) Other contracted services - other minor expenses, such as: equipment leasing, legal advice, communication services, identification of areas for irrigation, cleaning of rural properties, assistance to animals, insurance, vehicle rental, travel agency, restaurant, audits, among others. Both services have already been performed, measured, but not yet invoiced.

## **14. Socio-environmental and socio-economic obligations**

The socio-environmental and socio-economic obligations comprise the provision received from the sponsors and intended for final expenses with the programs defined in the TTAC. As soon as the allocations are received they are transferred to liabilities. The composition of the balance of such socio-environmental and socio-economic obligations is detailed below:

	Balance in 2019	Contributions (Note 16)	New Entries	Write-off (Note 17.a)	Transfer	Update Fundo Desenvol e Rio Doce (Note 8)	IPCA update (Note 20)	Balance in 2020
Remediation programs	125,463	3,372,500	-	(2,649,612)	42,669	-	32,649	923,669
Remediation programs - Barra Longa	47,910	-	-	-	(29,423)	-	1,548	20,035
Compensation programs	314,483	403,231	-	(155,951)	131,107	3,090	8,928	704,888
Compensation programs - actions related to the preparation of basic sanitation plans	110,277	-	-	(14,940)	(43,221)	-	4,392	56,508
Remediation Program - Monitoring Equipment for the Doce River Water	3,849	-	-	(675)	-	-	-	3,174
Results from previous years to be applied in Programs	-	-	13,246	-	(13,246)	-	-	-
<b>TOTAL CURRENT</b>	<b>601,982</b>	<b>3,775,731</b>	<b>13,246</b>	<b>(2,821,178)</b>	<b>87,886</b>	<b>3,090</b>	<b>47,517</b>	<b>1,708,274</b>
Compensation Programs	255,005	-	-	-	(131,107)	-	10,993	134,891
Compensation programs - actions related to the preparation of basic sanitation plans	477,178	-	-	-	43,221	-	20,572	540,971
<b>TOTAL NON-CURRENT</b>	<b>732,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(87,886)</b>	<b>-</b>	<b>31,565</b>	<b>675,862</b>
<b>OVERALL TOTAL</b>	<b>1,334,165</b>	<b>3,775,731</b>	<b>13,246</b>	<b>(2,821,178)</b>	<b>-</b>	<b>3,090</b>	<b>79,082</b>	<b>2,384,136</b>

	Balance in 2020	Contributions (Note 16)	New Entries	Write-off (Note 17.a)	Transfer	Update Fundo Desenvolve Rio Doce (Note 8)	IPCA update (Note 20)	Balance in 2021
Remediation programs	923,669	7,570,441	(58,424)	(6,990,567)	(1,444,884)	-	-	235
Remediation programs - Barra Longa	20,035	-	-	-	(20,035)	-	-	-
Compensation programs	704,888	-	-	(663,980)	333,562	4,999	28,556	408,025
Compensation programs - actions related to the preparation of basic sanitation plans	56,508	-	-	(21,640)	16,632	-	4,837	56,337
Remediation Program - Monitoring Equipment for the Doce River Water	3,174	-	-	(457)	-	-	-	2,717
<b>TOTAL CURRENT</b>	<b>1,708,274</b>	<b>7,570,441</b>	<b>(58,424)</b>	<b>(7,676,644)</b>	<b>(1,114,725)</b>	<b>4,999</b>	<b>33,393</b>	<b>467,314</b>
Remediation programs	-	-	-	-	1,464,919	-	-	1,464,919
Compensation Programs	134,891	297,559	-	-	(333,562)	-	34,526	133,414
Compensation programs - actions related to the preparation of basic sanitation plans	540,971	-	-	-	(16,632)	-	58,092	582,431
<b>TOTAL NON-CURRENT</b>	<b>675,862</b>	<b>297,559</b>	<b>-</b>	<b>-</b>	<b>1,114,725</b>	<b>-</b>	<b>92,618</b>	<b>2,180,764</b>
<b>OVERALL TOTAL</b>	<b>2,384,136</b>	<b>7,868,000</b>	<b>(58,424)</b>	<b>(7,676,644)</b>	<b>-</b>	<b>4,999</b>	<b>126,011</b>	<b>2,648,078</b>

Formatters already covered by remediation and compensation programs, some processes in which Renova Foundation is a party, do not appear in Note 15 as contingencies, but are assured in the economic flow of programs, namely:

- a. Proceeding No. 0039564-83.2018.8.13.0400 - Public Civil Action for the Defense of the Right to Health and Social Assistance with a request for: (i) full funding to hire a specialized firm to provide a simplified selection process, in favor of the Municipality of Mariana /MG, through bank credit; (ii) transfer of funds in advance to the Municipality of Mariana/MG to finance supplementary provision of health and social assistance services for victims of the disaster; (iii) freezing of amounts existing in the bank accounts of Renova Foundation, Vale, Samarco and BHP in the amount of BRL 47,800 to guarantee the financial funds necessary for the provision of services by the Municipal Health Department and the Municipal Department of Social Development for the provision of services to the affected parties. (Amount discussed: BRL 61). An agreement was signed between the parties, judicially ratified, by which Renova has committed and has made transfers, provided for in Clause 12 of this agreement, observing the ceiling of BRL 11,170 for the Municipal Health Department (supplementation of human resources for health, renovations, equipment, vehicles) and BRL 5,548 for the Municipal Department of Social Development and Citizenship (complementation of human resources for social protection, furniture,

rental, logistics), and rendering of accounts. Management understands that there are no additional obligations to the amounts provisioned. Cost Center: Health and Social Protection Program

- b. Proceedings No. 5000917-94.2019.8.13.0400 - Public Civil Action with the collection of amounts related to the implementation of the full-time education program for the Municipality of Mariana. An agreement was entered into between the parties, judicially ratified, by which Renova has committed and has made transfers according to the amounts stipulated herein, limited to BRL 13,255, the installments of which have already been deposited in court by Renova Foundation. Management understands that there are no additional obligations to the amounts provisioned.

## 15. Provision for lawsuits

The Management, based on the information and assessments from its internal and external legal advisors set up provisions for contingencies in an amount assessed sufficient to cover the losses considered to be probable risks.

Description	Balance sheet on 12/31/2019	Additions	Write-backs	Balance sheet on 12/31/2020
(i) Provision for Civil Claims	3,259	829	-	4,088
(ii) Provision for Labor Claims	63	5	-	68
(iii) Provision for Tax Claims	-	5,587	-	5,587
<b>Subtotal</b>	<b>3,322</b>	<b>6,421</b>	<b>-</b>	<b>9,743</b>
(-) Court Deposit	<b>608</b>	9,406	(1,659)	<b>8,355</b>

Description	Balance sheet on 12/31/2020	Additions	Write-backs	Balance sheet on 12/31/2021
(i) Provision for Civil Claims	4,088	1,579	-	5,667
(ii) Provision for Labor Claims	68	2,735	-	2,803
(iii) Provision for Tax Claims	5,587	-	-	5,587
<b>Subtotal</b>	<b>9,743</b>	<b>4,314</b>	<b>-</b>	<b>14,057</b>
(-) Court Deposit	<b>8,355</b>	32,252	(14)	<b>40,593</b>

Renova Foundation is a party to lawsuits arising in the normal course of its operations, involving civil, labor and tax issues, in addition to class actions that discuss terms and compliance with the TTAC clauses. The claims assessed as probable risk of loss refer to: (i) civil actions that claim the inclusion of the plaintiffs in the emergency financial assistance or monetary compensation programs, (ii) labor claims of own employees and outsourced employees, decisions of which rendered up to the appellate court are unfavorable to Renova Foundation, (iii) tax lawsuit (annulment of tax debt) to discuss the controversial amounts when filing a spontaneous complaint, suspend the enforcement of the amount related to the fine and have its liability certificate with clearance effects released to proceed with its operations and legal obligations.

Others suits are in progress for which, under the advice of legal advisors, management believes the risk of loss is only possible, as below:

Description	2021	2020
(a) Civil class actions	11,990,938	2,828,298
(b) Individual civil claims	9,650,993	5,847,740
(c) Labor claims	2,856	43,524
<b>Total possible loss</b>	<b>21,644,787</b>	<b>8,719,562</b>

a) Civil Class Actions: Those filed by the Public Prosecution Offices or Public Defender's Offices against Renova Foundation (ACPs), the legal advisors' suggested an expectation of possible loss. These total BRL 11,990,938 as of December 31, 2021:

- Action No. 5023635-78.2021.8.13.0024 filed by the Public Prosecution Office of Minas Gerais requesting the intervention and extinction of Renova Foundation (updated amount in dispute: BRL 11,818,028). The amounts in dispute have no financial impact on Renova Foundation, as the requests refer to the execution of programs provided for in the TTAC (already budgeted);
- Claim No. 1023835-46.2021.4.01.3800: filed by the Federal Public Prosecution Office, Public Prosecution Office of Minas Gerais, Federal Public Defender's Office and Public Defender's Offices of the States of Minas Gerais and Espírito Santo, in which they challenge Renova Foundation's expenditure on advertising and publicity (updated amount in dispute: BRL 96,996). The amount comprises the request for compensation for collective personal damages in an amount to be arbitrated by the Federal Court equivalent to twice the amount allocated to advertising campaigns and reimbursement of expenses incurred;
- Claim No. 1033379-58.2021.4.01.3800 filed by the municipalities of Rio Doce (MG) and Santa Cruz do Escalvado (MG) claiming the amounts that they failed to collect in taxes for the generation of energy in a hydropower plant affected by the failure of the Fundão dam - (updated risk amount: BRL 55,792). Request for remediation/revenue recovery being (i) ICMS linked to VAF energy generation; and (ii) financial compensation for the use of water resources ("CFURH"), based on the allegation that they would have ceased to earn such amounts due to the interruption of power generation at HPP Risoleta Neves as a result of the Failure.;
- Court agreements for the payment of monetary compensations of the following groups, already provided for in the budget of the Monetary Compensation Program: (i) large rural producers in the State of Espírito Santo; (ii) informal professional categories, addressed in the Novel Simplified Compensation System; (ii) Tupiniquim-Guarani Indigenous Communities of Aracruz/ES; (iii) Indigenous Association of Comboios;

- Priority Axis 13 (PJE No. 1011729-52.2021.4.01.3800, with no economic value involved – Restructuring of Renova Foundation's Internal Organizational Management System).

All are similar requests of a reparatory and/or indemnity nature with potential consequences, such as: Payment of monetary compensations for individual and collective personal damages, presentation of remediation action plans, monitoring of water quality, reimbursement of extraordinary expenses, request to annul and guarantees of certain clauses of the Mediated Indemnity Program, among others.

- b) Individual Civil Actions: These are actions similar to those of item (a), filed against Renova Foundation, Samarco Mineração S.A, BHP Billiton Brasil Ltda. and Vale S.A., in which the Plaintiffs basically demand compensation for personal and material damages due to (i) interruption of water supply in the affected cities; (ii) lack of or maintenance of payment of the Emergency Financial Aid; (iii) compensation for loss of property or equipment; (iv) loss of profits; (v) failure to receive the indemnity installment under the PIM – Mediated Indemnity Program; (vi) compensation for physical displacement or damage caused by the flooding of Lagoa Juparanã in Linhares.
- c) Labor Claims: Most are claims filed against a contracted service provider and against Renova Foundation and in some cases, against its sponsors, as jointly liable. Most of the requests refer to non-payment of severance pay to employees of these service providers for non-payment of labor amounts to employees of these service providers.

## **16. Equity**

The Public Deed of organization of Renova Foundation determines that the assets, referred to in article 62 of the Civil Code, necessary to meet the purpose of Renova Foundation, will correspond to the sum of the installments of the provision made by the year 2021, as well as the installments later indicated by the curatorship as necessary for the accomplishment of the projects from the year 2022.

The installments of the provision made by the sponsors, intended exclusively for final expenses with socio-economic and socio-environmental programs, are initially recognized in Equity and transferred to the socio-environmental and socio-economic obligations account in liabilities. The installments of the provision made by the sponsors, to cover administrative expenses, are allocated to the contribution account for administrative expenses, in liabilities. As Renova Foundation disburses funds to cover these expenses, liabilities are amortized and program and contribution revenues are recognized.

As defined in the TTAC, Samarco and its shareholders, Vale and BHP Billiton Brasil Ltda., provided resources to Renova Foundation with contributions, as follows:



**Amounts contributed to the Equity**

Description	2019 Balance	Contributions	Balance in 2020	Contributions	2021 Balance
Samarco Mineração S.A.	684,677	-	684,677	3,626,832	4,311,509
Vale S.A.	3,011,248	1,888,211	4,899,459	2,120,584	7,020,043
BHP Billiton Brasil Ltda.	3,011,248	1,887,520	4,898,768	2,120,584	7,019,352
<b>Equity</b>	<b>6,707,173</b>	<b>3,775,731</b>	<b>10,482,904</b>	<b>7,868,000</b>	<b>18,350,904</b>

**Amounts contributed to the result - Administrative Expenses**

Samarco Mineração S.A.	39,662	9,263	48,925	73,034	121,959
Vale S.A.	167,002	72,250	239,252	29,483	268,735
BHP Billiton Brasil Ltda.	167,002	72,250	239,252	29,483	268,735
<b>Subtotal</b>	<b>373,666</b>	<b>153,763</b>	<b>527,429</b>	<b>132,000</b>	<b>659,429</b>
<b>Total contributions to Renova Foundation</b>	<b>7,080,839</b>	<b>3,929,494</b>	<b>11,010,333</b>	<b>8,000,000</b>	<b>19,010,333</b>

The sponsors will provide the funds as stated in the public deed, as follows:

- From 2020 to 2021, annual contributions to the Renova Foundation will be sufficient to cover the estimated performance of remediation and compensation projects for each year, as per TTAC. The annual reference amounts for these contributions will range from BRL 800,000 to BRL 1,600,000. From 2022 onwards, the amounts to be contributed to the Renova Foundation will be based on the planning of the programs approved by the Renova Foundation on the same date. The TTAC did not specify a minimum or maximum amount in this period for remediation programs.
- As of the signing of the TTAC, Renova Foundation will allocate an annual amount of BRL 240,000, for a period of 15 years, adjusted for inflation under the terms of clause 257, for the performance of compensation projects. These annual amounts are already included in the contained amounts of reported contributions for the first six years (2016 – 2021). Additionally, a contribution of BRL 500,000 was allocated to a program for sewage collection and treatment and disposal of solid waste in the municipalities along the Doce River, in the years 2016, 2017 and 2018, in the amounts of BRL 50,000, BRL 200,000 and BRL 250,000, respectively.

The reconciliation of the contributions provided for in the TTAC takes place through the contributions registered with Renova Foundation, added to the unaudited contributions made directly by the sponsors, according to the following reconciliation:

Description	Balance 2019	Contribution	Balance 2020	Contribution	Balance 2021
<b>Total Contributions to Renova Foundation</b>	<b>7,080,839</b>	<b>3,929,494</b>	<b>11,010,333</b>	<b>8,000,000</b>	<b>19,010,333</b>
Samarco Programs - TTAC	1,785,870	77,106	1,862,976	172,472	2,035,448
	<b>8,866,709</b>	<b>4,006,600</b>	<b>12,873,309</b>	<b>8,172,472</b>	<b>21,045,781</b>

Description	Balance 2019	Lifting of freeze	Balance 2020	Lifting of freeze	Balance 2021
Public Civil Action (ACP) - Mariana	256,712	(6,226)	250,486	(13,426)	237,060
<b>Total Contribution</b>	<b>9,123,421</b>	<b>4,000,374</b>	<b>13,123,795</b>	<b>8,159,046</b>	<b>21,282,841</b>

## 17. Income

The Entity has as a source of funds the contributions made by its sponsors, and it also recognizes the volunteer services offered by them and their Board Members. The amounts realized in 2021 are shown below:

		2021	2020
Operating income - contribution (Note 14)	(a)	7,676,644	2,821,178
Income from contributions	(b)	142,296	160,119
Income from volunteer services - Board Members	(c)	1,283	1,007
Income from volunteer services - Secoded	(d)	2,451	1,918
		<b>7,822,674</b>	<b>2,984,222</b>

- (a) Contributions received from the sponsors to be invested in the programs managed by Renova Foundation, allocated in social equity and as these obligations with the programs are fulfilled, the liability must be "settled" according to ITG 2002(rev.1) for profit or loss, as operating income from contributions.
- (b) Contributions received from the sponsors to fund administrative expenses, allocated in liabilities, and later, when these expenses are calculated, the amounts are appropriated in profit or loss, as income from contributions.
- (c) They refer to the hours donated by the board members comprising boards of the Renova Foundation, they are: Board of Trustees, Supervisory Board and Advisory Board. These provide services voluntarily and free of charge, and the values of these services are recognized at fair value, even if the financial disbursement has not occurred, according to the accounting standard ITG2002. And they are calculated, considering the hours actually dedicated by the board members throughout 2021, multiplied by the hourly rate of each one.

This calculation resulted in 5,440 hours of dedication throughout 2021 by the board members. The Board of Trustees dedicated 3,880 hours in 2021 (2020 – 2,800 hours), the Supervisory Board dedicated 1,240 hours in 2021 (2020 – 1,160 hours), and the

Advisory Board dedicated 320 hours in 2021 (2020 – 560 hours) – unaudited number of hours.

- (d) Refers to employees assigned by the sponsors – Vale and BHP Billiton Brasil Ltda., in view of the continuity of various programs and the dissemination of the sponsor's knowledge, to add to the Renova Foundation's processes. The amounts recorded herein represent the sum of the salaries, charges and benefits of these employees, spent by each sponsor.

## 18. Operating expenses with programs

Operating expenses with the Entity's programs refer to expenses incurred in the period with socio-environmental and socio-economic remediation and compensation programs provided for in the TTAC. The expenditures per group of measures and per program in the years to December 31 were as follows:

		2021	2020
Socio-environmental programs - Remediation	(a)	647,938	593,368
Socio-economic Programs - Remediation	(a)	6,329,563	1,560,218
Socio-environmental programs - Compensation	(b)	135,249	71,563
Socio-economic Programs - Compensation	(b)	563,894	596,029
		<b>7,676,644</b>	<b>2,821,178</b>

### a) Programs - Remediation

These comprise remediation measures and actions aimed at mitigating, remedying and/or redressing socio-environmental and socio-economic impacts arising from the failure of the dam. Among these programs, are:

- Program for tailings containment and treatment of impacted rivers – at the end of 2019 Renova and Samarco entered into an Agreement for the Transfer of Responsibility for the Continuity of the implementation of the Axis 1 Dike ("Transfer Agreement"), the purpose of which included, among others, the transfer to Samarco (a) of the responsibility for the performance of missing works for the completion of the project related to Axis 1 Dike, remaining under the responsibility of Renova any and all other works and activities related to the period in which the performance of the works was under its control; (b) the contracts in force at the time of the respective signature entered into by Renova within the scope of activities related to the works on Axis 1 Dike, if approved by Samarco; (c) the right to possession and ownership of the works and structures already carried out on Axis 1 Dike by Renova.
- Compensation program for indemnification of the affected parties - a priority program, the performance of which during the year 2021 had a broad scope and effectively reached the affected parties, due to the implementation of a new indemnity system, simplified and through the agile flow of flexible payments. This new process allowed thousands of affected people, who were having difficulty presenting evidence to prove

the damage, which accounts for the acceleration of compensation payments during 2021.

<b>SOCIO-ENVIRONMENTAL PROGRAMS</b>	<b>2021</b>	<b>2020</b>
Tailings management program	118,753	96,025
Containment of tailings and treatment of impacted rivers	1	5,540
Recovery of the environmental area 1	23,819	21,147
Conservation of aquatic biodiversity	133,963	78,359
Conservation of terrestrial fauna and flora	2,520	8,498
Water supply systems	93,716	90,578
Water monitoring investigation	29,871	33,665
Consolidation of conservation units	2,255	828
Program management	243,040	258,728
	<b>647,938</b>	<b>593,368</b>

<b>SOCIO-ECONOMIC PROGRAMS</b>	<b>2021</b>	<b>2020</b>
Survey of the affected parties	19,860	18,686
Compensation damages for the affected parties	5,457,264	724,865
Protection of indigenous peoples	93,363	80,894
Protection of traditional community	7,084	9,425
Social protection program	4,695	5,322
Communication and dialogue	52,352	47,056
Assistance to animals	7,395	6,753
Reconstruction of Bento, Paracatu and Gesteira	305,393	79,917
Recovery of Risoleta Neves HPP reservoir	21,476	117,787
Recovery of impacted infrastructure	79,719	59,942
Recovery of schools	2,785	5,330
Preservation of historical heritage	4,704	8,457
Support for tourism, culture and sport	1,980	2,309
Physical and mental health of the affected parties	4,700	14,022
Resumption of fishing activity	8,766	3,660
Resumption of agribusiness activity	73,788	62,857
Recovery of micro and small businesses	3,590	2,067
Financial assistance to the affected parties	179,203	309,790
Reimbursement of extraordinary expenses	1,446	1,079
	<b>6,329,563</b>	<b>1,560,218</b>

## **b) Programs - Compensation**

These comprise measures and actions compensating for non-mitigable or irreparable impacts arising from the dam failure, by improving the socio-environmental and socio-economic conditions of the affected areas, redress of which is not possible or feasible, under the terms of the programs. Among these were:

- Environmental emergency readiness program 34 - according to CIF resolutions No. 344 and 357, in 2020 removed the expenses related to the siren installation systems and these were recognized as expenses of the sponsor Samarco.
- Compensation Program - Investments made in 2020 in compensation measures projects, such as the "Integrated Agenda" (education, infrastructure and health in the impacted regions) and in the use of emergency measures to combat COVID-19 in the States of Minas Gerais and Espírito Santo.

<b>SOCIO-ENVIRONMENTAL PROGRAMS</b>	<b>2021</b>	<b>2020</b>
PPA rehabilitation and erosion control	28,711	24,413
Recovery of springs	12,888	15,143
Fauna reintroduction screening structure	2,607	999
Sewage treatment collection program	21,640	21,261
Water supply systems	31,297	12,779
Environmental education system	5,531	371
Environmental emergency readiness	12,057	(6,701)
Information for population	477	614
Domestic and foreign communication	1,223	2,105
Consolidation of conservation units	18,212	14
Support for the implementation of environmental and rural inventories	606	565
	<b>135,249</b>	<b>71,563</b>

<b>SOCIO-ECONOMIC PROGRAMS</b>	<b>2021</b>	<b>2020</b>
Support for culture and sport tourism	6,443	4,450
Survey and remediation technologies	930	318
Diversifying the regional economy	3,470	6,832
Encouraging local hiring	1,576	1,226
Compensation measures	551,475	583,203
	<b>563,894</b>	<b>596,029</b>

## **19. Administrative / operating expenses**

These expenses are characterized as being necessary for the maintenance of Renova Foundation's operational activities, not being directly linked to the execution of the programs.

These also include recognized expenses related to volunteer services received by the Entity and the cost of the CIF governance system.

Volunteer service is recognized at the fair value of the service provided, even if there has been no financial disbursement, according to accounting standard ITG2002 of the CFC - Federal Accounting Council.

Costs of the governance system refer to amounts realized with the new governance system of Renova Foundation, signed in June 2018 and established through the Governance TAC (Conduct Adjustment Term), and include travel expenses of members of the technical

chambers (CT's), Interfederative Committee (CIF), expenses with meetings of these groups and secretarial costs for the respective meetings.

The administrative expenses are below.

	Note	2021	2020
Contracted services		53,458	66,782
Own personnel		49,653	55,868
Legal consulting		12,879	11,001
Consulting and studies		9,436	6,508
Governance system cost		4,131	2,520
Depreciation/amortization of administrative assets	9	2,792	3,940
Provision for lawsuits		2,295	6,117
Provision for loss of receivables – Fundo Desenvolve Rio Doce	8	1,659	1,561
Insurance		1,456	1,355
Travel		420	856
ITR - Rural Land Tax and ISS - Service tax - Withheld	12	190	255
Other expenses		3,927	3,356
	17.b	<b>142,296</b>	<b>160,119</b>
Volunteer services seconded employees	17.d	2,451	1,918
Volunteer services board members	17.c	1,283	1,007
		<b>3,734</b>	<b>2,925</b>
		<b>146,030</b>	<b>163,044</b>

## 20. Financial result

<b>Financial income</b>	2021	2020
Income from financial investments	74,880	24,647
Other income	12	21
	<b>74,892</b>	<b>24,668</b>

<b>Financial expenses</b>	2021	2020
(a) Financial update of socio-environmental and socio-economic obligations	126,011	79,082
COFINS on financial income	2,731	1,105
IOF - Tax on financial transactions	2,591	(107)
Interest – financial update on taxes payable and others	2,071	380
Financial Lease - CPC 06 (R2)	298	536
Bank fees	370	459
Loss of Investments Financial Application	-	1,347
Others	(70)	77
	<b>134,002</b>	<b>82,879</b>

- (a) Renova Foundation received funds from its sponsors to meet its socio-environmental and socio-economic obligations (Note 14). However, such funds were not disbursed within the same period of receipt and, therefore, they were adjusted for inflation by the IPCA index, as determined by clause 257 of the TTAC, thus reducing the income earned on the respective financial investments and updating the liability - Socio-environmental and socio-economic obligations.

## 21. Sponsor Contributions

During 2021, the sponsors made the contributions - allocations and donations – as presented below. These contributions are responsible for maintaining Renova Foundation's continuity. It should be noted that these amounts do not constitute Renova's liabilities to the sponsors, as regulated in the TTAC (Note 16 – Equity).

	2021	2020
Vale S.A.	2,150,067	1,960,461
BHP Billiton Brasil Ltda.	2,150,067	1,959,770
Samarco Mineração S.A.	3,699,866	9,263
	<b>8,000,000</b>	<b>3,929,494</b>

## 22. Commitments

Renova Foundation has long-term agreements among which for audit services, civil works, water monitoring and aquatic biodiversity, PIM, supply of cards for payment of indemnities, management and inspection, forestry recovery, bioengineering services, infrastructure, management and inspection of the resettlement of Bento Rodrigues, Paracatu and Barra Longa, logistics, transport and specialized PMO services, expert technical services, operational support services to the territories, services for the construction of a dam on the Doce River bed, indemnification process consultancy, ACP Axis 6 expert services, consulting and auditing services to support the areas of Compliance, Governance and Risks, final assurance of remediation programs and services at the Candonga HPP complex, ACP Axis 6 expert services, and remediation services at the Candonga HPP complex.

	2021	2020
Up to 1 year	2,628,576	832,833
From 1 to 2 years	280,790	787,958
From 2 to 3 years	69,183	615,782
From 3 to 5 years	26,399	199,446
	<b>3,004,948</b>	<b>2,436,019</b>

## 23. Insurance coverage (unaudited)

Given the scope of Renova Foundation's activities and the diversity of its operations, based on the guidelines of its management committees, Renova Foundation has taken out general civil liability insurance (third-party assets), D&O (civil liability for officers), and cyber risk policy.

The General Civil Liability policy is valid for 24 months (May 2021 to May 2023), with a maximum indemnifiable limit of BRL 120,000.

The D&O policy is valid for 12 months (March 2021 to March 2022), with a maximum indemnifiable limit of BRL 263,000, this limit was established after hiring a consultancy that mapped all of Renova's scenarios and interfaces.

Personal accident insurance policies, life insurance for all employees of Renova Foundation, and property insurance for Renova's offices are also in force.

## **Board of Trustees**

### **Effective members**

Camilla Lott Ferreira  
Carla Maree Wilson  
Cláudio Renato Chaves Bastos  
Guilherme Almeida Tangari  
Paulo Antônio Spencer Uebel  
Pedro Aguiar de Freitas

## **Supervisory Board**

### **Effective members**

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Lucas Brandão Filho  
Luciana Cássia Nogueira  
Marcelo Campos Antunes  
Taryn Nakayama  
Tiago Fantini Magalhaes

## **Executive Board**

André Giacini de Freitas  
CEO

Adriano Haueisen Batista  
Chief Planning and Management Officer

Carlos Eduardo Vaz de Mello Tannus  
Chief Engineering and Works Officer

Flavio Chantre  
Chief Institutional Relations Officer

Luiz Antônio Roris Rodrigues Scavarda do Carmo  
Chief Program Officer

## **Technical manager**

Wandeir Campos da Silva  
Accountant - CRC-MG 122183/O-9