

New Doce River Basin Agreement

Samarco's Fundão dam failure

BHP

A definitive and substantive agreement has been finalised in Brazil that provides reparation for the impacts of Samarco's Fundão dam failure and builds on existing remediation and compensation work.

The agreement is between the Federal Government of Brazil, the states of Minas Gerais and Espírito Santo, public prosecutors and public defenders (collectively, the Public Authorities) and Samarco, BHP Brasil and Vale (collectively, the Companies).

The agreement in detail

The total agreement value is **R\$ 170 billion¹ (US\$ 31.7 billion²)** which incorporates amounts already invested to date plus future payments and obligations³.



Remediation and compensation activities to date

**R\$ 38 billion¹
(US\$ 7.9 billion²)**

The Renova Foundation has already paid approximately US\$3.5 billion in compensation and financial assistance to approximately 432,000 impacted people through its compensation systems and approximately 91 per cent of resettlement cases have been completed.



Programs to support people, communities and the environment

**R\$ 100 billion¹
(US\$ 18 billion²)**

Instalments over 20 years to the Public Authorities, the relevant municipalities and Indigenous Peoples and traditional communities.

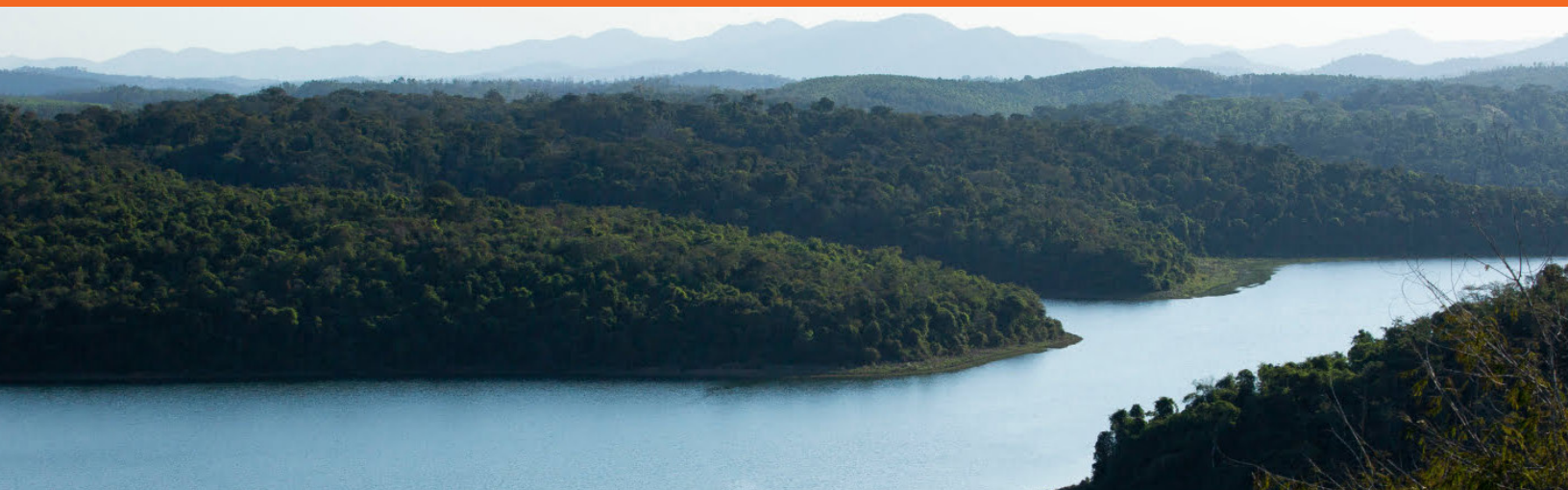


Ongoing performance obligations

**Approximately R\$ 32 billion¹
(Approximately US\$ 5.8 billion²)**

Programs to be carried out by Samarco which will provide benefits to the people, communities and environment affected by the dam failure.

This is the next important step in our commitment to do the right thing following Samarco's Fundão dam failure in November 2015. This was a tragedy in which 19 lives were lost. As one of Samarco's shareholders in a non-operated joint venture, we will continue to support the reparation and compensation efforts in Brazil.



The agreement is a result of extensive consultation and engagement by the Companies, federal and states governments and other public authorities, including public defenders and prosecutors, over an extended period to address the requirements of those affected.

Funding for new community programs

Providing benefits to people, communities and environment in the affected regions through programs and initiatives in sanitation, health, economic recovery, income assistance and infrastructure.

Compensation for Indigenous Peoples and traditional communities

R\$ 8 billion in funding for eligible communities will be made available following a consultation process led by the Federal Government.

A further compensation and indemnification system

Designed with the collaboration and endorsement of the public defenders and prosecutors, the new Definitive Indemnification Program (PID) has a low eligibility threshold in order to capture those unable to meet the criteria of the previously established systems. It is estimated that approximately 500,000 people will be eligible for individual compensation benefits.

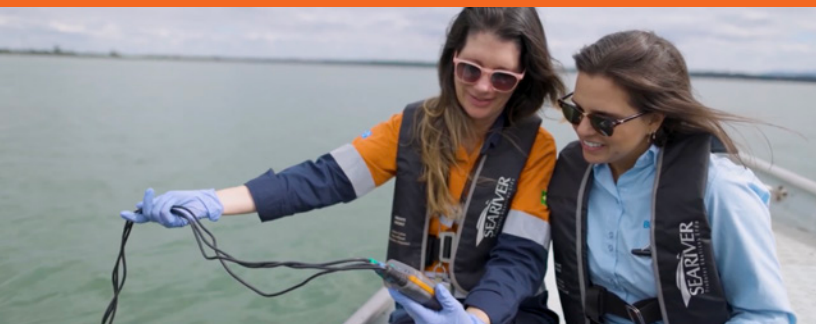
Timeline



Renova Foundation progress and transition



R\$ 38 billion¹ (US\$ 7.9 billion²) has been paid by the Renova Foundation to provide immediate support to those affected, relocated and rebuilt their communities and provided economic, social and environmental support



The 42 programs currently overseen by the Renova Foundation will be closed and all reparation measured will be taken over by Samarco or the Federal or States governments.

Before

After

Novo Bento Rodrigues



Paracatu



Gualaxo do Norte river (Mariana)



¹ All financial obligations are presented on a real, undiscounted basis and will accrue inflation at IPCA inflation rate. Payments will be made in Brazilian Reais.

² All USD amounts throughout are calculated based on actual transactional (historical) exchange rates related to funding provided to Fundação Renova (Renova Foundation) for investment to date and future spend is calculated using 28 June 2024 BRL/USD exchange rate of 5.56.

³ Under the Settlement Agreement, Samarco is the primary obligor for the settlement obligations and BHP Brasil and Vale are each secondary obligors of any obligation that Samarco cannot fund or perform in proportion to their shareholding at the time of the dam failure, which is 50% each.

bhp.com/BRagreement

Samarco is a non-operated joint venture and BHP Brasil, one of BHP's subsidiaries, holds a 50 per cent share alongside Brazilian mining company Vale.