

# **Capital Allocation and Projects Committee' Report**

## **of Vale S.A.2023**

The purpose of this report is to present the main actions carried out by the Capital Allocation and Projects Committee ("CACP") in 2023; and to present the Committee's outlook for next year based on the guidance of the Board of Directors ("BoD") and Vale's regulation.

### **PRESENTATION**

#### **Committee's creation date**

CACP was established on December 21, 2022, after a review of the structure of the BoD Advisory Committees, and its Internal Regulations were approved on the same month and aligned to the Vale S.A. ("Vale" or "Company") Bylaws amendment, approved at the Extraordinary General Meeting held on December 21, 2022.

#### **Committee's composition and structure**

The Committee is composed of Luis Henrique Cals de Beauclair Guimarães, as Chair; Daniel André Stieler, Fernando Jorge Buso Gomes, José Luciano Penido, and Marcelo Gasparino da Silva, as members.

#### **Main attributions and responsibilities of the Committee**

The main purpose of CACP is to advise the BoD in the decision-making process to ensure that the activities relating to the allocation of capital in the long term, financial management, and the company's project portfolio management be carried out in a strategic and efficient manner.

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#### **Quantitative analysis of meetings**

CACP met 12 times in 2023, with 8 ordinary meetings and 4 extraordinary meetings.

#### **Adherence rate of the Committee members**

The attendance of members to the meetings during the year was 97%.

#### **Average lasting of the Committee's meetings**

Throughout 2023, CACP met for 42 hours, and its meetings lasted 3h30min. Its meetings were divided into 76 agendas, distributed in 57 informative themes and 19 themes for recommendation to the Company's Board of Directors.

#### **Quantitative analysis of the Committee's workplan and demands**

In 2023, the ordinary meetings complied with the schedule of meetings contemplated in the Committee's annual workplan, and also addressed approximately 79 additional demands presented by the Committee in the same period.

### **Summary of the main activities developed by the Committee in 2023**

During 2023, the Committee performed its duties aligned with the best interests of the company and its shareholders, and aligned with the authorities set forth in its internal regulations, especially:

- Monitoring of Vale's budget and operational performance during the year, focused on cash generation and capital allocation;
- Assessment of the budget proposal for 2024;
- Analysis and monitoring of the creation of Vale Base Metals and subsequent sale of minority interest;
- Proposed changed in the methodology to calculate the Company's capital cost, as well as hurdle rates for project assessment, considering the different phases and jurisdictions of the projects;
  - Assessment of new projects according to the new methodology, to increase scrutiny in the approval of projects/allocation of capital;
- Financial/budget assessment and monitoring of projects in progress;
- Recommendation of change in the composition of the shareholders' compensation;
- Reassessment of the decarbonization strategy to maximize results. Asset light strategy – reduction of emissions with minimum use of capital;
- Accelerate the development strategy of the MegaHubs projects, aiming at entering into the first high-quality ore supply agreements with the steel industry;
- Assessment of alternatives to unlock the value of Vale's portfolio of Mining Rights;
- Assessment and recommendation of 1) acquisitions, 2) divestments, and 3) strategic partnerships to maximize the business value of Metals for Energy Transition and Iron Ore Solutions;
- Promotion of discussion on the company's strategy;
- Assessment of the Environmental Masterplan of the Tubarão unit, in Espírito Santo;
- Monitoring of the license application process.

### **OUTLOOK FOR THE NEXT YEAR**

#### **Final considerations**

In 2024, CACP actions will remain focused on monitoring an efficient allocation of capital and on the targeting and monitoring of the Company's project portfolio, for the purpose of prioritizing projects that create value for the business in different scenarios, increasing production with safety and quality and achieving a superior competitive performance.