

Vale's Audit and Risks Committee Annual Report – fiscal year 2022

Committee creation date

Vale's Audit Committee was created on March 24, 2020. At Vale's Extraordinary Shareholders' Meeting ("AGE"), held on December 21, 2022, the Audit Committee was renamed to Audit and Risks Committee.

Committee composition and structure

During 2022, the Audit and Risks Committee was coordinated by an independent member of the Board of Directors ("BoD" or "Board") and composed of two other independent members of the Board of Directors and two outside members with recognized experience in law and corporate accounting matters. The members nominated by the Board of Directors in May 2022, who served until December 2022, are:

Name	Position	Independent	Member since	Attendance ¹
Manuel Lino Silva de Sousa Oliveira	Coordinator	Yes	August 2021	100%
Luciana Pires Dias	Outside member	Yes	March 2020	100%
Rachel Maia	Member of the Board of Directors	Yes	May 2022	100%
Murilo Cesar Lemos dos Santos Passos	Member of the Board of Directors	Yes	November 2021	100%
Sergio Ricardo Romani	Outside member and specialist in corporate accounting	Yes	March 2020	100%

¹ Over the period in which each member had been in office during the current mandate as of June 2022.

Between January and May 2022, the Director Mauro Rodrigues da Cunha was an effective member of the Audit Committee, having participated in 100% of the meetings held during this period.

At Vale's AGE, held on December 21, 2022, adjustments were made to optimize the structure of the BoD Advisory Committees, with a reduction from seven (7) to five (5) permanent Committees, as well as to reflect the new nomenclatures and scopes of the Committees. In this regard, the Audit Committee was renamed to Audit and Risks Committee, absorbing the Company's risk matters, with the consequent dissolution of the Operational Excellence and Risks Committee. It was also defined that the Audit and Risks Committee would be composed exclusively of independent members of the Board of Directors being now composed of three (3) to five (5) members, and all of them shall be independent directors of the Company. Therefore, the current composition of the Committee, elected based on the resolution of the Board of Directors of December 22, 2022, is now:

Name	Position	Independent	Member since
Manuel Lino Silva de Sousa Oliveira	Coordinator	Yes	August 2021
Murilo Cesar Lemos dos Santos Passos	Member of the Board of Directors	Yes	November 2021
Rachel Maia	Member of the Board of Directors	Yes	May 2022

Main attributions and responsibilities of the committee

Vale's Audit and Risks Committee is a statutory body that advises the Board of Directors, in order to oversee the quality and integrity of financial reports, monitor adherence to legal, statutory, and regulatory standards, adequacy of risk management processes, monitor the activities of the internal and independent auditors and the evolution of the Audit and Compliance Department's initiatives, including internal auditing, Ethics and Compliance Program, effectiveness of the Whistleblowing Channel, and management of consequences.

The Committee's roles and responsibilities are performed in compliance with applicable legal and statutory attributions as stated in its bylaws. The Committee's assessments are based on information received from the Management, independent auditors, internal audit, those

responsible for risk management and internal controls, and on its own analyzes arising from its supervisory and monitoring activities.

Also, according to the Bylaws, the Committee has operational autonomy and budget allocation, being able to determine the retainment of consultants' services, as well as other resources that may be necessary to perform its roles. In view of this, in December 2022, Luciana Pires Dias and Sergio Ricardo Romani were hired by the Committee as external expert consultants.

Quantitative analysis and average duration of meetings

The Committee met 19 times in 2022, including 14 ordinary meetings and 5 extraordinary meetings, which discussed 112 topics and lasted an average of 3 hours and 40 minutes. In addition, in 2022 the Committee carried out a two-day technical visit to Vale's operations in Minas Gerais.

Main topics of the Committee meetings in 2022

The Audit Committee has a Work Plan defined annually, prioritizing the most relevant topics related to its duties, also incorporating requests and demands arising from the Board of Directors. The 2022 Work Plan was fulfilled and the demands forwarded by the Executive Committee were also analyzed. The following chart shows, in percentage terms, the main topics discussed in the meetings for the 2022 fiscal year, considering their recurrence on meeting agendas.



Periodic report of the Audit and Compliance department

The Audit and Risks Committee monitored quarterly, in accordance with its Internal Regulations, the reports of this department, including:

- Improvement of the structure of Vale's Ethics and Compliance Program, progress of actions involving Corporate Integrity and Consequence Management;
- Hire of a Technical Audit to assess Vale's Ethics and Compliance Program, seeking recommendations and opportunities for improvement;

- Report on the numbers, indicators, and main reports of the Whistleblower Channel;
- Evolution of internal audit alignment with the Risk Matrix – *Bwise*;
- Monitoring technical internal audit work, focused on cybersecurity, third-party management, and operational health and safety;
- Monitoring the CIAE-A recommendation report through internal audit;
- Monitoring the Internal Audit Certification (CIA) by the IIA.

Committee work plan in 2022

To plan and execute its work, the Audit and Risks Committee proposed to comply with the most relevant issues for the company regarding the the competencies stipulated in its bylaws, divided into 4 macro issues, summarized below:

1) Oversee the quality and integrity of financial reports

PricewaterhouseCoopers (“PwC”) is the independent audit firm responsible for examining the financial statements and issuing an opinion as to their preparation in accordance with the accounting practices adopted in Brazil and with the international financial reporting standards (IFRS), issued by the *International Accounting Standards Board* (IASB). In this sense, the Committee monitored:

- The conduction of a prior review of the quarterly information for the year 2022 and the annual financial statements for 2021, both with the controllership/financial office and with the senior partners of the independent auditors;
- Discussing technical matters with the controllership/financial office, as well as with the independent auditors, to understand the analysis process and the bases for the technical conclusion;
- Holding periodic meetings with the controllership/financial office, as well as with the independent auditors, to analyze any changes in the critical accounting policies and practices adopted;
- Holding meetings with the Legal and Financial Departments, especially the Controllershship, to analyze the main contingent processes, the evaluation criteria and internal controls related to the preparation of estimates, accounting reserves, and relevant judgments used by the Management in the preparation of the financial statements;
- Analysis of judicial provisions and contingencies as well as monitoring criteria for estimation prepared by the Management for contingencies, especially related to SEC, Brumadinho, Samarco, and Renova;
- Quarterly analysis of transactions with related parties;
- Monitoring, together with the controllership and financial office, as well as with the independent auditors, of the quality and integrity of the information and measurements disclosed based on adjusted accounting data and non-accounting data that add elements not foreseen in the structure of the usual reports of the financial statements, such as impairment of assets and contingencies.

2) Ensure adherence to legal, statutory, and regulatory standards

- Follow-up of the company's correspondence and interactions with capital market regulatory bodies (SEC, CVM and B3);
- Follow-up of the reports and main reports of the Whistleblower Channel, in a structured manner, according to their criticality and application of consequences;
- Application of the Consequences Management Policy;
- Evaluating the performance of the Audit and Compliance Officer and establishment of the department's targets for 2023.

3) Internal Controls and adequacy of risk management processes

- Maintenance of a regular communication channel with the independent auditors;
- Holding periodic meetings with the Controller and Risk Management manager as well as with the internal audit manager to supervise the audit processes related to the examination of internal controls;
- Follow-up with the independent auditors (PwC) and the internal audit manager the evolution of deficiencies and remedies of the internal controls;
- Review and simplification of the Company's Integrated Risk Map and definition of priority risk matters;
- Review of the Risk Management Policy;
- Meetings with the Internal Audit team to monitor the evolution of tests and controls for SOx certification;
- Monitoring the implementation of Vale's Risk Management System – *Bwise*;
- Monitoring Structuring Projects for cybersecurity, third-party management, and operational health and safety;
- Discussion of the company's critical and very critical risks, as well as the necessary controls to mitigate them;
- Monitoring of geotechnical risks, dam decharacterization projects and reports related to resources and reserves.

4) Supervise the activities of the internal auditors and independent auditors

- Discussion and monitoring of the Internal Audit Work Plan for 2022 and 2023;
- Evaluation and discussion of quarterly Internal Audit reports;
- Evaluation of the independent auditor's annual work plan and its updates;
- Monitoring independent auditors' activities through regular meetings or reviewing their reports;
- Ensuring previous validation before engaging any additional services to be provided by the current independent auditor.

Audit and Risks Committee's key conclusions and recommendations

(i) Evaluating Vale's reports and financial statements

- ✓ The adequacy and integrity of the internal control systems used to produce financial statement data was rated satisfactory in terms of data volume and quality;
- ✓ No cases of conflicts related to the financial statements or the application of generally accepted accounting principles were reported or identified;
- ✓ Suggestions for technical improvements, notably in the clarity, objectivity, and level of transparency of information in Vale's reports;
- ✓ Greater detail in the explanatory notes related to contingencies, provisions, litigation, related-party transactions, equity interests, financial risk and capital management.

(ii) Analysis of the work of independent auditors

- ✓ No obstacles to information or any other difficulties to the work of the independent auditor were found;
- ✓ The Committee has not identified any event or situation that could affect the independence or objectivity of the independent auditors;
- ✓ With respect to quarterly earnings reports, the Committee considers the information provided by PwC to be satisfactory and sufficient;
- ✓ Suggestions for more details in the letter of recommendation from the independent auditor, especially in the analysis of internal control in several areas, such as IT, cyber, among other processes of greater risk for the Company;
- ✓ The Committee recommended the approval of the renewal of the agreement with PwC for another 5 years.

(iii) Assessment of standards and policies

- ✓ Review of the Risk Management Policy and knowledge of the Risk Appetite Statement.

(iv) Supervision of risk management and internal controls

- ✓ Vale's internal controls environment has evolved, with no deficiencies affecting the SOx certification, and the Committee recommended focus on automation process;
- ✓ The Committee verified opportunities for improvement of risk management and recommended the presentation of the action plans;
- ✓ The Committee recommended approval of the new Risk Map and became aware of the proposed priority risk matters;
- ✓ The Committee recommended more presentations on geotechnics risks , especially those related to resources and reserves, as well as the decharacterization of dams.

Committee evaluation process, main findings, and opportunities for improvement

In 2022, a self-assessment process of Vale's Committees was carried out by a specialized external consultancy. With regard to the Audit Committee, the redundancy of topics with the former Operational Excellence and Risks Committee, now discontinued, was appointed. As recommendations for improvement, in addition to addressing areas of intersection with other committees, the consultancy suggested the optimization of the workload of meetings, making them more objective.

Final Considerations and Main Activities of the Committee for 2023

Item	Approach for 2023
Monitor the quality and integrity of financial reports	<ul style="list-style-type: none"> • Intensify the clarity and objectivity of the information provided in the explanatory notes. • Monitor the quality of the process for determining forecasts of the company's legal contingencies;
Analysis of the work of independent auditors	<ul style="list-style-type: none"> • Monitor and evaluate the work of the independent auditor in relation to critical accounting estimates and practices and the Company's key internal controls. • Recommend deepening the letter of recommendations of the independent audit, especially in the analysis of internal control in several areas, such as IT, cyber, and third parties, among other processes of greater risk for the Company.
Assessment of standards and policies	<ul style="list-style-type: none"> • Ensure compliance with the Risk Management Policy.
Risk management, internal controls, and Compliance Program Supervision	<ul style="list-style-type: none"> • Continue to focus on the evolution of the company's risk management and governance, aiming at greater maturity in this role; • Promote the automation of processes with an impact on SOx certification; • Monitor the evolution of internal audit planning with a focus on risks, supervising the distribution of resources on more critical issues; • Monitoring and evaluating the work of outsourced management in order to map points for improvement with regard to the desired behavior of obsession with safety and Vale's ambition to be the safest mining company in the world; • Monitor succession plan for the Audit and Compliance Officer; • Monitor compliance with the 2023 internal audit work plan and the technological evolution of audit work; • Monitor the work of the Internal Audit to ensure compliance of the areas in relation to control and security systems, such as HIRA, VPS, and <i>B-wise</i>; • Monitor and encourage constant improvements in internal control and risk systems; • Monitor Structuring Projects for Cybersecurity, Third Party Management, and Operational Health and Safety; • Monitor the evolution of reports received via whistleblowing channel and their effective addressing and management of consequences within the organization; • Monitor the result of the Technical Audit to assess Vale's Ethics and Compliance Program, as well as compliance with recommendations and opportunities for improvement.

Recommendation relating to the 2022 financial statements

The members of the Audit and Risks Committee of Vale S.A., in exercising their duties and responsibilities, as per the Committee's bylaws, proceeded to analyze the financial statements, together with the independent auditors and management's annual report for the fiscal year ended December 31, 2022 ("2022 Annual Financial Statements"). Considering the information provided by the Company's management and by PwC, the Audit and Risks Committee unanimously recommends a favorable opinion by the Company's Board of Directors in relation to said documents.

Rio de Janeiro, February 16, 2023.

**Manuel Lino Silva de Sousa
Oliveira
(coordinator)**

**Murilo Cesar Lemos dos Santos
Passos
Rachel Maia**