

Report of the People and Compensation Committee of Vale S.A.

2022

The objective of this report is to present the main actions carried out by the People and Compensation Committee (formerly, the “People, Compensation and Governance Committee”) (“Committee”) in 2022 and present the Committee’s perspectives for the year 2023.

PRESENTATION

Committee creation date

With the amendment of the Bylaws of Vale da S.A. (“Vale” or “Company”), which was approved at the Special Shareholders’ Meeting of December 21, 2022, the scope of the Committee was reviewed seeking to focus its activities on people and compensation topics, while its Internal Regulations and its name were adjusted to reflect this new positioning.

This Report presents the Committee’s performance during year 2022, in accordance with the governance assumptions in effect in this period.

Composition and structure of the Committee

The Committee is composed of Mauro Rodrigues da Cunha, as Chairman, and José Luciano Penido, Eduardo de Oliveira Rodrigues Filho, and Fernando Jorge Buso Gomes, as members.

Main assignments and responsibilities of the Committee

Throughout 2022, the main objective of the Committee was to advise the Board of Directors (BoD) in decision-making to ensure that the processes related to the People Management strategy, Organizational Culture, the Senior Management Compensation model, and the company’s Governance practices are conducted efficiently and in line with its values.

MAIN INDICATORS

Quantitative analysis of meetings

The Committee met 16 times in 2022 (19 times in 2021), with 10 ordinary meetings (11 in 2021) and 3 extraordinary meetings (4 in 2021), in addition to 3 joint meetings with other committees (4 in 2021), representing optimization of its operations, with a 16% reduction in the number of meetings compared to the previous year.

Average rate of attendance of Committee members

Members had an average attendance of 93.75% in the meetings held in 2022 (94.8% in 2021).

Average duration of Committee meetings

Throughout 2022, the CPRG met for 62h30min, and its meetings lasted 5h40min on average.

Quantitative analysis of the Committee's work plan and demands

In 2022, the ordinary meetings fulfilled 100% of the schedule of meetings foreseen in the Committee's work plan, with an additional 94 demands being addressed in the period.

HIGHLIGHTS OF THE YEAR

Summary of the main activities carried out by the Committee in 2022

Among the activities carried out by the Committee in the period, the following stand out:

(i) Review of the structure of the BoD Statutory Committees, based on the diagnosis that Vale had a Governance structure that generated excessive demands from Management and the BoD. The final design resulted in the optimization of the Committees' actions and meetings, and in a clear definition of the responsibilities and duties of each group. The Committee presented to the BoD a recommendation for a structure of 5 Committees, and, additionally, the BoD decided to maintain the Innovation Committee in a non-statutory and non-permanent character.

(ii) Amendment to the Bylaws, with the main objective of granting a greater level of delegation to the Executive Committee ("EC") to resolve on certain matters, reinforcing the BoD's focus on the Company's strategic direction. This was an important step to strengthen the trust between the BoD and the EC, and to increase the productivity of these bodies.

(iii) Evolution of Corporate Policies, a project that aimed at clarifying the functions of the BoD and the EC in terms of the company's Governance. These regulations were segregated into Corporate and Administrative Policies, with the latter group being delegated to the EC. There was also a consolidation in the number of Corporate Policies subject to the BoD's decisions, which was decreased from 31 to 20, resulting in an improved adoption by Vale's community, with the definition that such policies will be of a principled nature, and the CE is responsible for cascading these policies through more specific measures.

The project made significant advances in the period, with highlight on the approval of the Policy for Management of Enterprises and Entities, and the first cycle of application of this policy and preparation of the Enterprises and Entities Report, which enabled the Committee and the BoD to have an overview of the processes involved and became an important management tool for EC, as reported by management.

Also, the reform of the Authorities Policy was concluded in the end of 2022, and delegation levels were standardized in two comprehensive parameters where the risk level is the only variable used in determining the classification within each parameter. Additionally, other important documents are being analyzed, with highlight on the Managers' Policy.

(iv) BoD's Action Plan, with coordination of the "pulse" assessment process by the Committee in partnership with a specialized external consultancy, and development of an Action Plan to

address the recommendations received. In this plan, 6 macro topics were defined, of which 3 have already been completed, 1 is in progress, and 2 are under development (represented by the process of continued education of directors, and optimization of the flow of information provided to the BoD, which has already improved compared to the previous status).

(v) Review of the PAV, aiming to correct the perception that the plan was designed with an excessive risk component. The changes led to a substantial reduction in the instrument's risk, with emphasis on: (a) the end of the TSR trigger for the ESG component, making it in fact a stand-alone component of long-term executive compensation; (b) change in the peer group to include new companies and adjust the industry profile; (c) increase in maximum payout from 150% to 200%; and (d) reformulation of the payment rule according to position in the peer ranking. The proposal forwarded to the BoD included tracking the ROIC in the shadow concept, the agreement to implement the ROIC in the system in 2024, the review of the risk level of the combo for 2025 and a discussion on a possible increase in vesting terms to 5 years.

(vi) Review of the EC target framework in order to promote ownership of the staff, maintaining the challenge for achievement thereof. It is important to point out that this evolution has been perceived by the Company's shareholders, with Vale receiving a favorable vote from Glass Lewis and ISS on the subject, within the scope of its Annual Shareholders' Meeting (AGO).

(vii) Talent Management Review as periodic agendas for the Committee meetings, optimizing the follow-up of the Vice-Presidencies and the Executive Presidency in terms of their succession pipelines. Emphasis was placed on creating a contingency line for emergency replacements and the relevance of working to improve our pipeline for critical functions was verified. The discussions were very promising and led to the organization of get-to-know meetings with some of the most relevant names in the pipelines, and who had not been duly exposed to the BoD yet.

SELF-ASSESSMENT AND PROSPECTS FOR NEXT YEAR

Committee evaluation process, main findings, and opportunities for improvement

In 2022, a self-assessment of Vale's Board of Directors and its Advisory Committees, which was carried out by a specialized external consultancy, it was possible to identify opportunities for continuous improvement of the governance of these bodies.

Regarding the Committee, the main considerations and recommendations pointed out are listed below. In this respect, the Committee shares the sequence of its perception about the developments that occurred in 2022 in relation to each one of them.

(i) considering separating the Governance and People activities in different committees, aggregating the scope of Governance and Nomination in one group, and People in another group.

Delivered: regarding this aspect, the Committee led the process that resulted in its own redesign, with significant reduction in the scope with focus on efficiency, exactly in line with the recommendation presented.

(ii) Reinforcing the strategic management of people, occasionally including external members.

Not Delivered: this topic has not advanced in 2022, partially due to the new principle according to which the Committees will be made up exclusively of Directors, and the expected change in the scope of the advisory group, which will allow for a greater focus on people management in the future. This subject will be discussed in the next cycle.

(iii) Reinforcing the people strategy in the annual agenda of the Committee to discuss:

a) construction of the people long-term strategic vision.

Partially Delivered: the Committee discussed the “workforce for the future” project, whose scope is exactly the strategic vision mentioned in the assessment. However, the project is in its initial phase, and a significant progress and the involvement of the Committee in this topic are expected for 2023.

b) regular follow-up on the status of the leadership body regarding the succession pipeline, engagement, development, and performance.

Delivered: the Committee included all areas of the company in topics relating to pipeline, succession and formation of leadership. It has also discussed the evolution of Vale and MICT corporate education projects, besides requesting information about the individual development plans of executives regarding critical succession positions.

c) Adaptation of the executive compensation model with a focus on meritocracy and differentiation based on performance.

Delivered: the in-depth discussions on PAV and ICP goals were guided by a constructive dialog with management. The result was a merit-based model with high value perceived by the management, as well as goals that are aligned to the challenges faced by Vale. Important innovations were considered, such as the assertiveness of projects and focus on the company’s own production of iron ore. Finally, the increase in transparency and agreements on future evolutions relating to ROIC, risk and vesting terms were important evolutions in this process.

Said recommendations have been observed by the Committee and have guided its actions since then and have even been reflected in its Work Plan for year 2023.

Final considerations

Based on the data and information presented in this report, the Committee shares the perception that the result of its work in 2022 was satisfactory and represented an expressive progress in relation to the challenges identified at the beginning of the year, in addition to objective and highly impacting deliveries for Vale. With regard to year 2023, such balance shall be accompanied by the evolution of Governance projects in progress, in addition to those that are now required due to the new challenges faced by Vale.

Objectively, they are as follows: (i) definition of the Governance for Base Metals, with focus on the level of delegation to be granted to the new subsidiary, and, consequently, the redefinition of Vale’s Governance; (ii) monitoring of the productivity of the new structure of Committees; (iii) continuity of the process of review of Corporate Policies, with focus on simplification, delegation, and productivity and, particularly, the conclusion of the Managers’ Policy; (iv) new cycle of assessment of the Board of Directors; and (v) monitoring of the management of

subsidiaries, also through initial reports on the newly created subsidiaries, according to the resolutions made.