

Audit and Compliance Department



# Ethics & Compliance Program 2023 Report

Public information



Photo: Alexandre Rezende





# Everything starts with ethics and integrity



Ethics and integrity have always been part of Vale's culture. Since 2021, when we launched our Ethics & Compliance Program, we have started a new chapter in the journey to promote these principles in our company.

Over the last three years, our Audit and Compliance Department has grown. We are increasingly integrating the four areas that compose our team – Internal Audit, Whistleblower Channel, Corporate Integrity and Data Intelligence. This integrated model allows the work of Internal Audit to feed back into the Ethics & Compliance Program.

We have found in this model a way of connecting our information and playing our role in the best possible way: guiding the ethical and responsible decision-making of all the people who are part of our company.

We connect data, carry out analyses and implement controls on an ongoing basis. But we know that the great advantage of an Ethics & Compliance Program – and not just a Compliance program – lies in its ability to influence ethical behaviour in the organization. And we have seen this in practice.

This past year, we launched an online Ethics & Compliance course which achieved record participation and spontaneous engagement never before seen in the company. The response from our employees was pleasantly surprising and demonstrated the strength of our commitment to our company's values and ethical principles.

We understand that the different areas of our company have their own particularities and that a single approach will not always suit everyone. We need to listen and customize our approach. To this end, we implemented a methodology for continuous risk assessment that now guides our anti-corruption initiatives worldwide.

The number of reports received by our Whistleblower Channel has grown and reflects the increased awareness of employees about the conduct we do not tolerate in our company. The increase in trust is positive, but this growth also brings us other challenges, which go hand in hand with the cultural transformation of our company.

It is indeed a journey. In these three years, we have evolved and identified many other opportunities for improvement, which are always integrated into the activity planning of our Ethics & Compliance Program.

In this report, we share with you a summary of our main results and indicators for the year 2023, while also remembering some of the history that has brought us this far."

**Denis Cuenca**  
Chief Audit and  
Compliance Officer





# Three years that reflect our commitment to ethics

Looking back on our Ethics & Compliance journey



Photo: Ricardo Teles

**20  
21** 

## Global Launch

We opened a new chapter in promoting a culture of Ethics and Integrity in our company by launching Vale's Ethics & Compliance Program. Our global Program has consolidated activities to promote ethical conduct and integrity.



Photo: Marcus Desimoni / NITRO

**20  
22** 

## Improvement

We took important steps in the Program's journey of continuous improvement. We launched a new channel for employees and contractors in Brazil to report sexual harassment or discrimination with empathetic support, improved our corruption risk management model and had the Program's first external audit, which is carried out every two years by an independent consultancy.



Photo: Alexandre Rezende

**20  
23** 

## Customization

We expanded the channel to report harassment and discrimination with empathetic support in Canada (Respect Channel). We also implemented a methodology for the continuous assessment of the risk of corruption of public officials, which allows us to deliver customized analyses and initiatives according to the different needs of each area of the company.

# Vale's Ethics & Compliance Program

is structured to promote the **prevention, detection** and **correction** of misconduct in our company



## Prevention


We believe that misconduct can be prevented through solid Governance, with clear Guidelines, continuous Communication and Training actions, as well as Risk Analysis.

## Detection

To guarantee the operation of the Program, we carry out Monitoring and Control actions and we have a Whistleblower Channel.

## Correction

When misconduct is confirmed, we handle the situation transparently and fairly through Consequence Management.

 Explore the elements of the Program to learn more about the main highlights of 2023.



# Governance

Autonomy, independence and the tone from the top of the organization

## Board of Directors

Conduct and Integrity Committee

Audit and Risks Committee

## Audit and Compliance Department

Internal Audit

Whistleblower Channel

Corporate Integrity

Areas responsible for the Ethics & Compliance Program

## Data Intelligence

The commitment of the entire organization to our culture and values is essential for the effectiveness of our Ethics & Compliance Program. For this purpose, we have structured governance to ensure the autonomy and independence of the areas responsible for the Program.

Reporting directly to the Board of Directors, the Audit and Compliance Department is responsible for Vale's Ethics & Compliance Program.

In addition, the work of the Department is under the supervision of the Audit and Risks Committee, working in partnership with the Conduct and Integrity Committee.

This structure reflects our ongoing commitment to the highest practices of ethics and corporate governance in all spheres of our organization.



Photo: Márcio Dantas Valença

# Integrated model in practice

In 2023, the **integrated model** allowed the Audit and Compliance Department to connect information to guide leadership **decision-making** in an **ethical and responsible** manner, influencing the company based on data.



Photo: Paula Guimarães



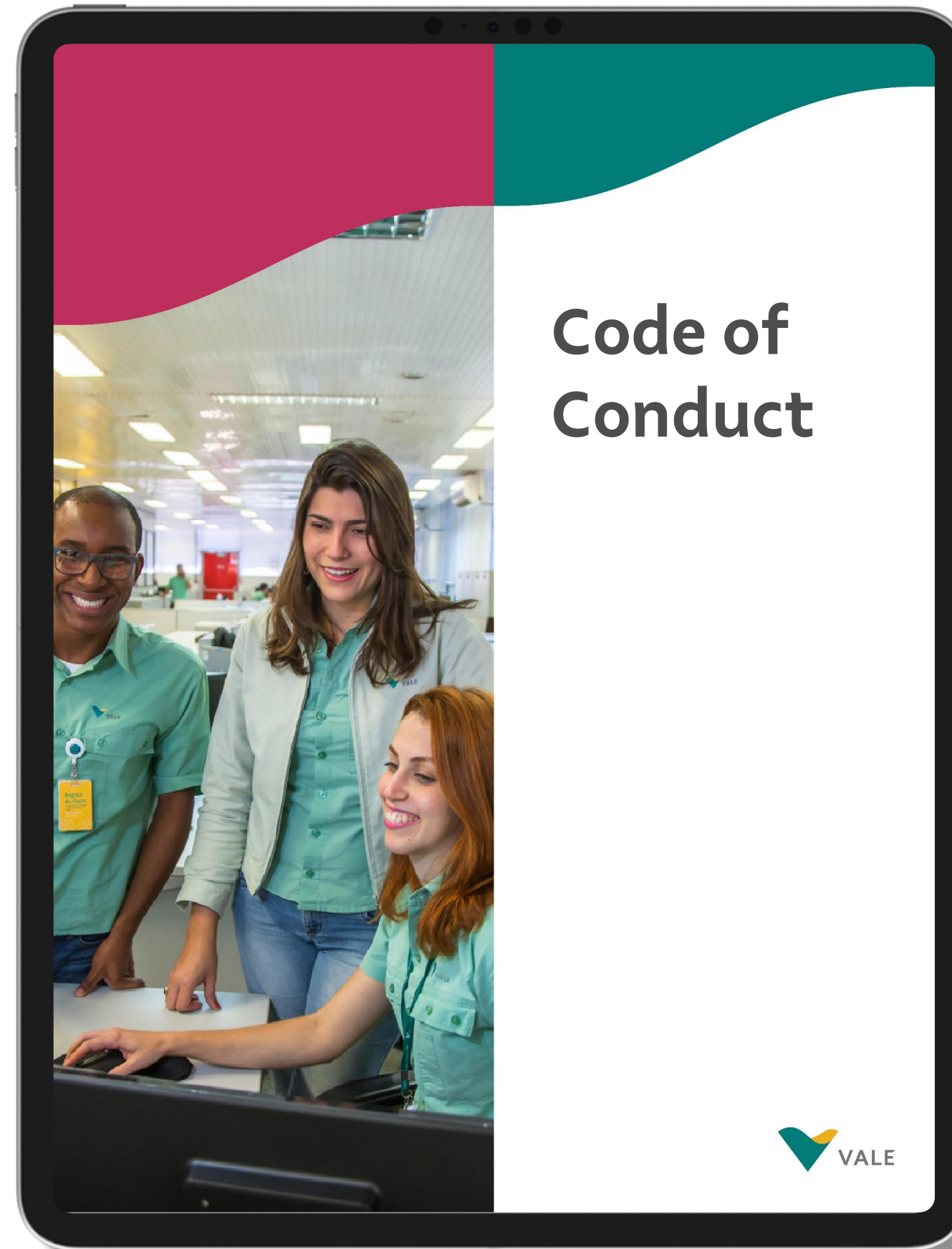
The importance of the Governance of our Ethics & Compliance Program goes beyond autonomy and independence. For those who seek out our Whistleblower Channel to report a violation of our Code of Conduct, it is also a matter of credibility and trust.”

**Pedro Grossi**  
Whistleblower Channel Director



# Guidelines

Our values and ethical principles translated into rules and guidelines



## Main Policies and Procedures of our Ethics & Compliance Program:

[Code of Conduct](#)

[Principles of Conduct for Third Parties](#)

[Global Anti-Corruption Policy](#)

[Global Anti-Corruption Manual \(internal document\)](#)

[Global Conflicts of Interest Guidelines \(internal document\)](#)

[Consequence Management Policy](#)



Back to the main page

# Guidelines

Our values and ethical principles translated into rules and guidelines

More than just rules, guidelines and directions, our Policies and Procedures help us make practical what it means to put our values into practice.

In 2023, all Vale employees were called upon to reaffirm their commitment to ethics by revisiting our Code of Conduct and Global Anti-Corruption Policy.



Photo: Paula Guimarães

## 2023 Highlights



Rules are essential for an Ethics & Compliance Program and will always exist, but even more important than this formalization is how the guidelines are understood and put into practice by the people who make up our company on a daily basis.”

**Camilla Reis**  
Corporate Integrity Director



# Communication and Training

Ethics always on the organization's agenda

Everyone who is part of our company must **know and understand our ethical principles**. With global initiatives and local actions, we seek to guide everyone on **how to make ethical and responsible decisions**.



Photo: Gustavo Baxter

## Global Highlight

### Ethics & Compliance Online Course

In 2023, we launched a new immersive online course, with everyday situations for making ethical decisions in a practical way.

**15 minutes long**

**8 languages**

Immersive experience

**+63,000 people** have completed the course (95.7% of all employees)

### Spontaneous engagement

The participation rate in the course was high beginning with its launch: in the first 15 days, almost 30% of the employees had already completed the course.

## Customized Actions

### Anti-corruption training for priority groups

With a specific focus on preventing cases of corruption by public officials, customized actions were also carried out for employees most exposed to this risk.

**Specific content**

**Real cases**

Video messages recorded by an **expert on the subject**

**2,651**  
participants

### Executive Leaders and Board Members

In 2023, specific training sessions were also held for members of the Board of Directors and the Executive Committee, with the support of an international law firm specializing in anti-corruption.



# Local presence

## Ethics Talks

### Dialogues on ethics with employees and leadership

Throughout this year, the Audit and Compliance team has been present in 14 locations, in Brazil and in countries in Asia and the Middle East, for face-to-face sessions called Ethics Talks. Virtual sessions were also held. The initiative, which aims to guide employees on how to act in the event of misconduct, brought together more than 2,000 participants.



Photo: Tatiana Neimi

## Posters

### Code of Conduct present in our operations

Posters on the values and ethical principles of our Code of Conduct were distributed to all operations in Brazil in partnership with local representatives from each operating unit.





# Risk Analysis

Customized analyses

Once engaged and trained in our company's anti-corruption rules, employees know how and when to request a risk analysis.

Our Corporate Integrity team carry out customized analyses and provide information to guide and support the decision-making of the business areas.

Our 2023 risk analyses in numbers:

**7,369**

risk analyses of suppliers and third parties

**2,293**

analysis of socioenvironmental and institutional external expenditures requests

**1,246**

conflict of interest analyses

**188**

analyses of gift, travel and hospitality requests

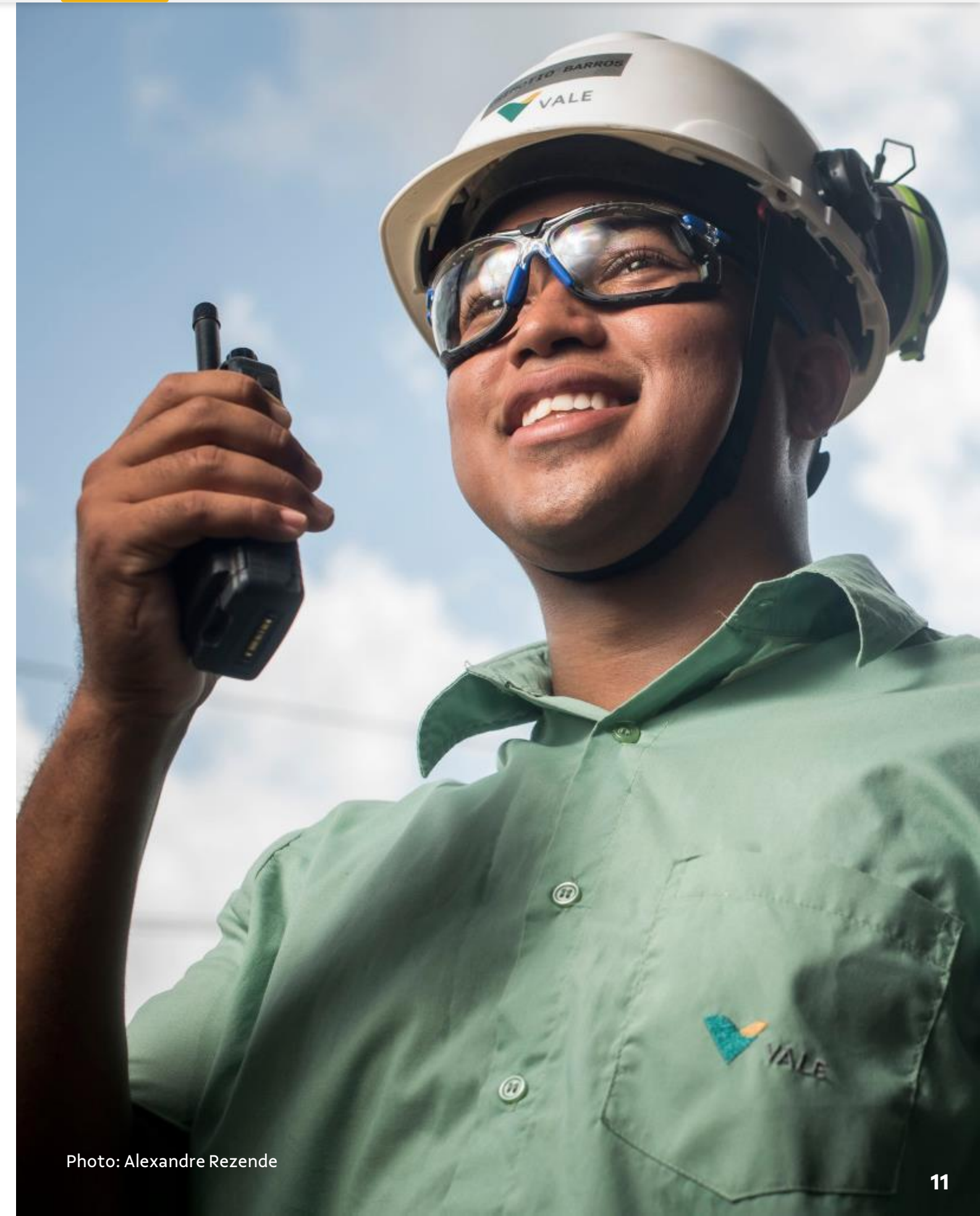


Photo: Alexandre Rezende



# New methodology

In **2023**, we developed a methodology for the continuous assessment of the risk of corruption of public officials, which considers various aspects:

## Vale's Business

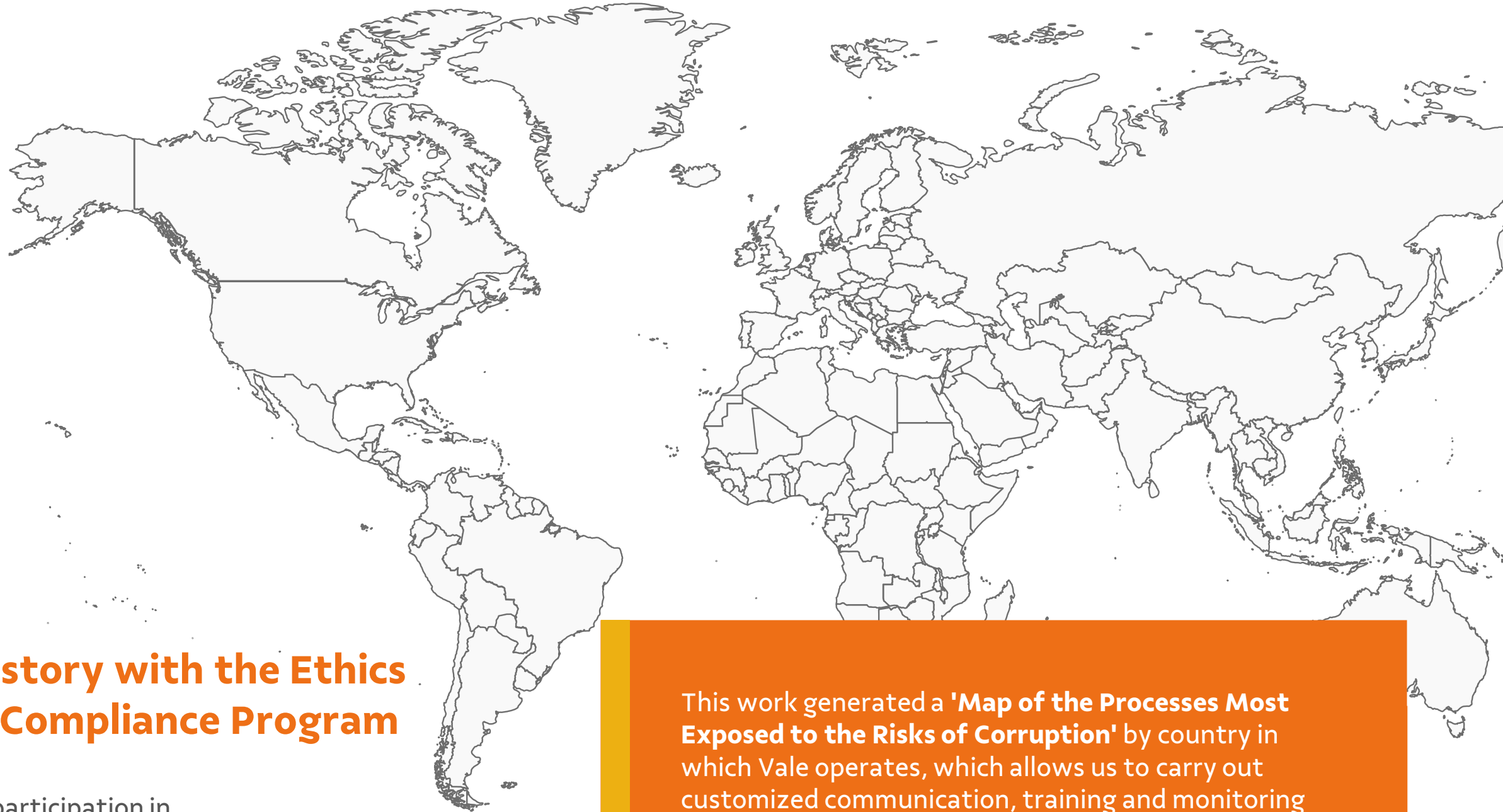
Corporate strategy  
Level of interaction with government officials

## External Environment

Transparency International's Corruption Perception Index

## History with the Ethics & Compliance Program

% participation in training actions  
Results of control tests



This work generated a 'Map of the Processes Most Exposed to the Risks of Corruption' by country in which Vale operates, which allows us to carry out customized communication, training and monitoring actions, taking into account the different levels of risk exposure.





Photo: Ricardo Teles

# Monitoring and Control

Keeping track of the company's adherence to the Program Guidelines

Through **controls, tests and continuous monitoring actions**, we closely monitor the adherence of our company's processes to the Guidelines of the Ethics & Compliance Program.

## How did we manage the risk of corruption in 2023?

15

controls are part of our control map and enable us to manage the risk of corruption

5

controls are considered key, are in Vale's risk matrix, and are related to the main **risk analyses** of the Ethics & Compliance Program

126

control tests were carried out in 2023 to assess the effectiveness of these controls

93%

of the transactions tested were in compliance with the Program's guidelines



All identified non-compliant transactions were addressed, with no materialization of the risk

[Back to the main page](#)



# Whistleblower Channel

## Investigation of cases of suspicion or violation of our Code of Conduct

When any principle of our Code of Conduct is violated, we encourage this situation to be reported to the leadership or through the Whistleblower Channel, which can be used by anyone, inside or outside the company, who wants to report a case of suspicion or misconduct.

### All the allegations made to the Whistleblower Channel are:

- Recorded by an independent company
- Forwarded to the company's internal team for investigation
- Treated with secrecy and confidentiality

**Under no circumstances will there be any intimidation or retaliation against the whistleblower**


 [Back to the main page](#)



Photo: Marcelo Coelho

## 2023 in numbers

In the midst of so many awareness-raising actions, we saw an increase in the number of reports received by the Whistleblower Channel. This increase is a natural consequence of frequent communication to employees about the culture of respect and guidance on how to react to misconduct.

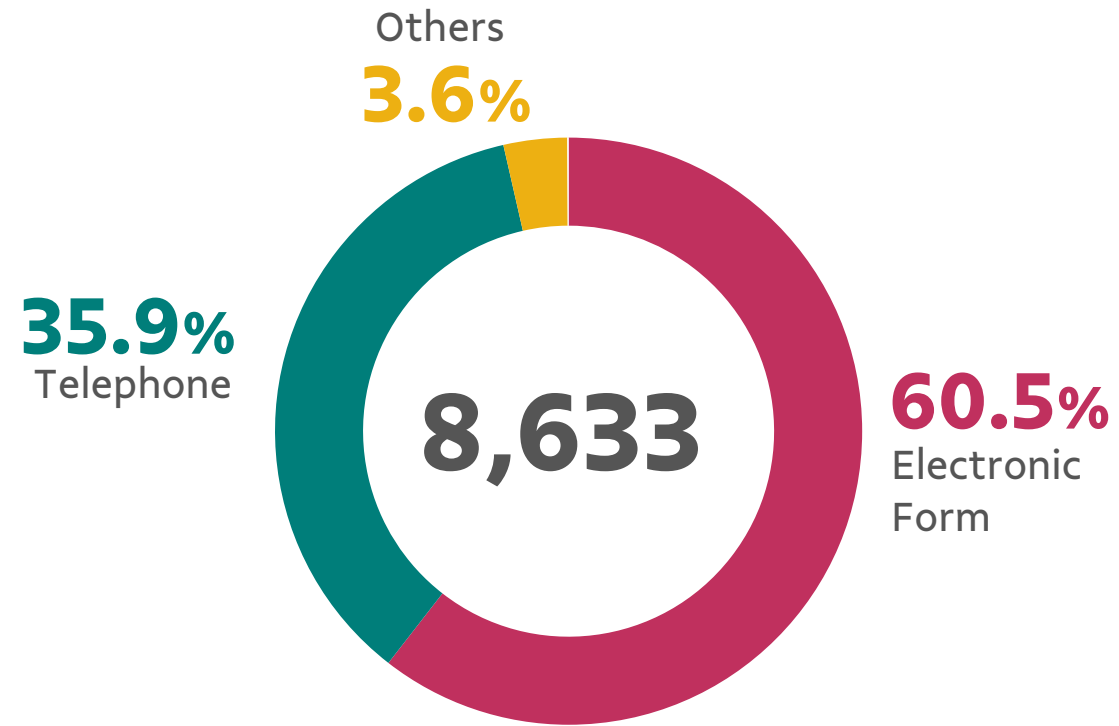
The number of reports received represents an increase of 28% compared to 2022.





# Reports received in 2023

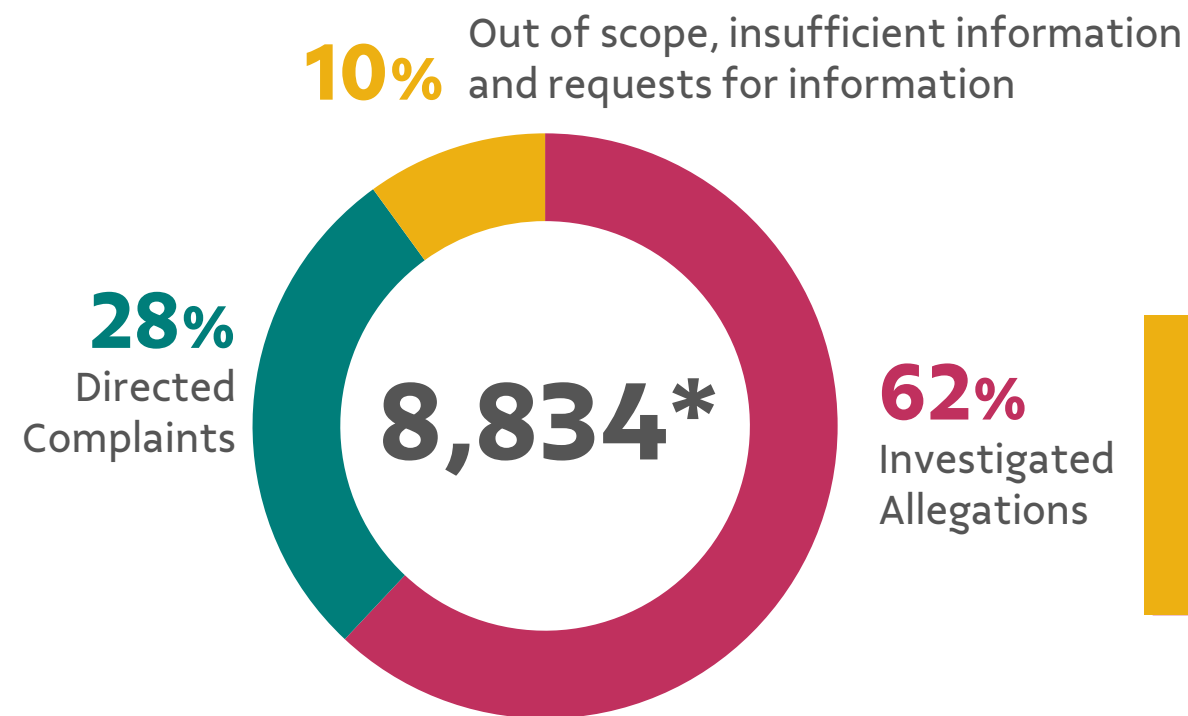
Reports can be made through different platforms in multiple languages.



# Reports Closed in 2023

Complaints are reports that do not represent violations of the Code of Conduct or non-compliance with policies and procedures or legislation.

These reports do not require investigation and may be directed to the responsible areas for an appropriate response.



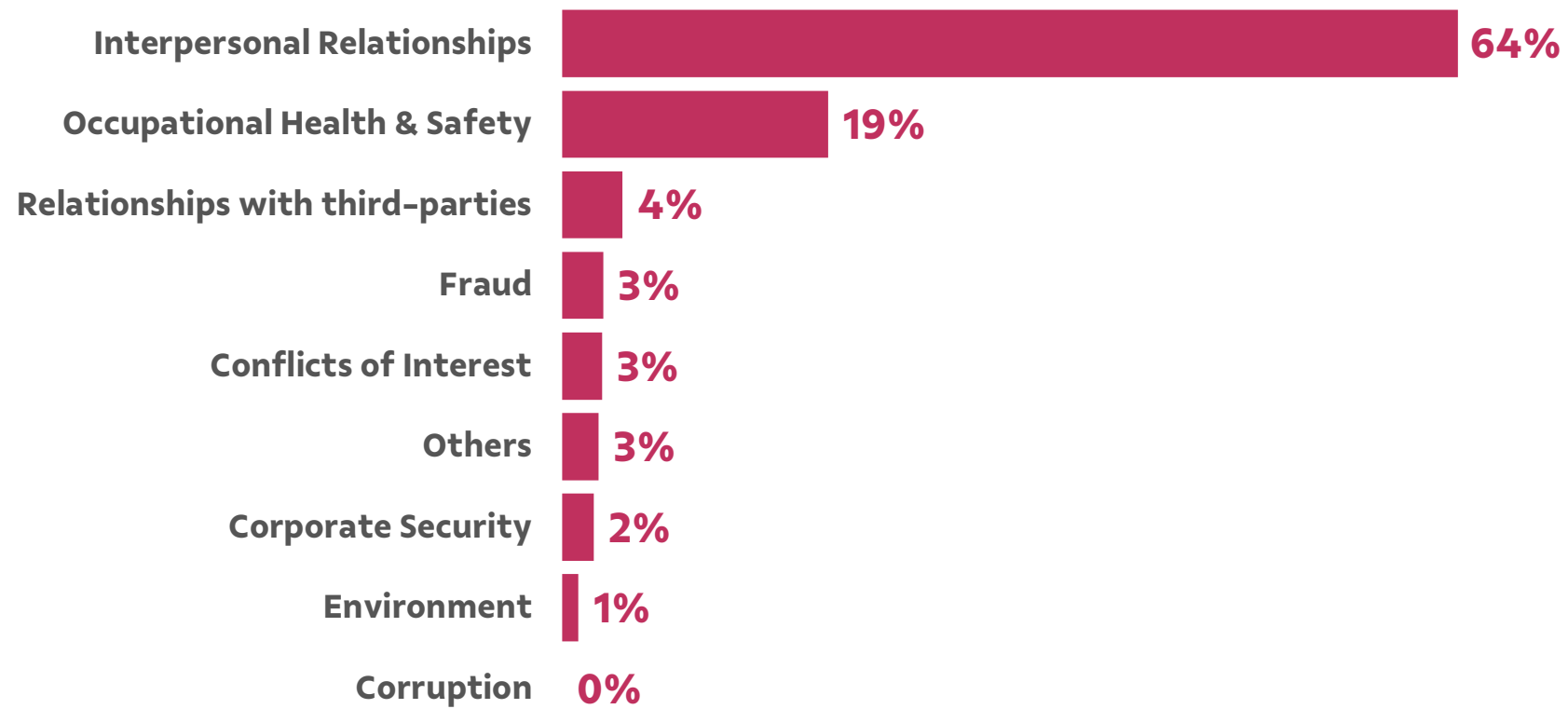
\*The number of reports closed in 2023 also includes reports received before 2023.



**49.1%** of the investigated allegations have been confirmed



# Investigated and confirmed allegations



In 2023, 64% of reports investigated and confirmed by the Whistleblower Channel were about interpersonal relationships that include:

- Inappropriate behaviour
- Inappropriate management
- Harassment
- Sexual harassment
- Discrimination



Photo: Zé Palma

## Our company has zero tolerance for harassment and discrimination.

All confirmed cases of harassment and discrimination were classified as high and very high severity, according to the Consequence Management Policy, resulting in dismissal actions. Cases involving contractors led to the companies being notified and the demobilization of the people involved.

**34**  
Harassment

**32**  
Sexual Harassment

**08**  
Discrimination

<b>04</b> Sexual Orientation	<b>02</b> Ethnic and Racial	<b>02</b> Sexual Orientation, Ethnic and Racial
---------------------------------	--------------------------------	--




# A new and more empathetic approach

In February 2023, we launched the Respect Channel for Base Metals in Canada. Through empathetic support, the Respect Channel was created so that employees and contractors who are experiencing sexual harassment, harassment or discrimination feel more comfortable reporting sensitive information, thus contributing to the effectiveness of the investigation process. This specialized channel was previously implemented in Brazil in April 2022, under the name *Canal de Acolhimento*, and focuses on situations of sexual harassment and discrimination.

The global figures from the Respect Channel show that victims of harassment and discrimination feel more comfortable identifying themselves when they receive empathetic and specialized assistance. In 2023, 80% of the reports registered through the channel in Brazil were made by individuals who identified themselves. Reports can always be made anonymously or identified, in both cases confidentiality is guaranteed.

The challenge for the future is to balance these two channel models: a more traditional one focused on fraud and operational deviations – which is investigated through a traditional investigation process – and a second, more empathetic model – aimed at supporting victims of misconduct involving interpersonal relationships.

 [Back to the main page](#)



The figures from the Whistleblower Channel and the Respect Channel help us to monitor progress and identify needs for action, which are incorporated into the Diversity, Equity & Inclusion actions.

Photo: Marcus Desimoni / NITRO



# Consequence Management

To handle confirmed misconduct in our company

When misconduct is confirmed, we act with fairness and transparency, in accordance with our Consequence Management Policy.

All violations confirmed by the Whistleblower Channel in 2023 triggered corrective plans. During the year, 3,726 corrective actions and disciplinary measures were applied, including 242 terminations of employment. In addition to the terminations of employment, we had contractor demobilization actions, feedback, warnings and suspensions, process improvements, and other measures.

## Consequence Management beyond the Whistleblower Channel

The figures on the left reflect the disciplinary measures applied to cases investigated by Vale's Whistleblower Channel. Misconduct can also be identified by leadership in the work routine. In both cases, leadership plays a leading role in the Consequence Management process and is responsible for applying disciplinary measures.

The Audit and Compliance Department monitors the application of Vale's Consequence Management Policy. On average, 158 disciplinary measures were applied per month in 2023. This number includes disciplinary measures applied to Vale employees who have had misconduct confirmed by their leadership or through the Whistleblower Channel.

Consequences for **individuals**

**242**

Terminations of employment

**160**

Third-party employees demobilized

**533**

Feedback sessions

**257**

Warnings, suspensions and other measures

Consequences for **legal entities**

**141**

Contractual notifications and sanctions

**19**

Contract terminations and/or entity blocked from future contracts with Vale

**Processes**

**349**

Training and retraining

**167**

Process improvements

**1,858**

Other corrective actions

Total:

**3,726 actions**



# The Ethics & Compliance Program

is one of the initiatives that seek to transform Vale into a **safer and more reliable company**, always putting people at the center of decision-making.



To find out more about our Environmental, Social and Governance (ESG) performance, visit [vale.com/esg](https://vale.com/esg)



