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Financial Results 2021

“In a year still marked by the persistent effects of the COVID-19 pandemic and market volatility, we were able to deliver significant achievements in creating sustainable value to all our stakeholders. In line with our new pact with society, we advanced in repairing Brumadinho and Mariana and reinforced our support for the fight against the pandemic. We also announced investments of up to US\$ 6 billion to reduce emissions and defined our social ambition to create a legacy of education, health and income in the communities we operate. We are operating safer by implementing VPS, decommissioning our upstream dams and aligning with the GISTM standards. At the same time, we are recovering our iron ore and base metals production capacity, setting the foundation to create and distribute value consistently.”, commented Eduardo Bartolomeo, Chief Executive Officer.

Highlights of 2021

Our operations

We delivered on our plan to stabilize our operations:

- In the Ferrous business, we reached an iron ore capacity of around 340 Mtpy at the end of 2021 vs. 322 Mtpy at the end of 2020. We expect to achieve 370 Mtpy capacity by the end of 2022.
- We produced 315.6 Mt of iron ore fines in 2021, up 5.1% y/y, mainly due to (i) the resumption of Serra Leste production, (ii) improved performance at Itabira and Timbopeba, (iii) increased production of high-silica products in Brucutu and Fábrica, and (iv) higher volume of third-party purchases. This was partially offset by S11D performance, impacted by the higher strip ratio and lower mining productivity during the year, caused by higher incursion of jaspilite materials in the ore body. For 2022, we expect to increase production to 320-335 Mt.
- Our pellets production totaled 31.7 Mt in 2021, 6.8% higher y/y, mainly from the resumption of operations at Vargem Grande pelletizing plants at the beginning of the year. For 2022, we expect to increase production to 34-38 Mt.
- In Base Metals, we produced 168.0 kt of nickel, down 8.5% y/y, and 296.8 kt of copper in 2021, down 17.6% y/y. The performance was affected by several one-off events, such as the labor disruption in Sudbury and the maintenance activities in Salobo, Sossego, Matsuzaka and Onça-Puma. Nevertheless, we move more positively into 2022, with Ontario operations concluding the ramp-up at Sudbury and Totten mine resuming hoisting activities in early February. Matsuzaka refinery and Onça Puma also had a strong fourth quarter after maintenance. In copper, Salobo mine movement should keep improving during the year. For 2022, we expect nickel production to reach 175-190 kt and copper production 330-355 kt.
- Our coal production increased 44.6% y/y in 2021 to 8.5Mt due to the higher productivity of the revamped plant.
- We advanced in implementing our management system (VPS), a concrete sign of our drive for the cultural transformation that will deliver results safely and consistently. The operations that matured further in VPS presented higher adherence to the maintenance plans and operational stability. A direct consequence is that

safety performance improved broadly across the company, and we recorded the lowest Total Recordable Injury Frequency Rate (TRIFR) in our history.

- We simplified our asset portfolio significantly. We concluded the sale of VNC and engaged in the responsible exit of the Coal Business in Mozambique. We also divested the manganese ferroalloy business, the 50% stake in CSI and the Mosaic shares.

Our commitments to reparation and society

Advancing in the reparation initiatives remains one of our priorities.

- In Brumadinho, the Integral Reparation Agreement signed in February 2021 brought legitimacy and legal certainty to the reparation initiatives. We destined R\$ 23.0 billion to the reparation in the last three years, including the agreements for individual indemnification with 12.7 thousand people. Among the initiatives in 2021, we paid R\$ 4.4 billion as part of the implementation of the Income Transfer Program. We also concluded the commissioning of a system of pipelines and reservoirs to assure the current demand of the Belo Horizonte region.
- In Mariana, we are committed to the Renova Foundation, through its governing body and by providing specialized professionals to implement the reparation programs. The reinstating of the right to housing for 107 families has progressed and, after the adoption of the simplified process, we doubled the number of indemnifications, now reaching 51.8 thousand people. After new court decisions on individual compensation for residents of cities impacted by the Fundão dam failure, we complemented the provision related to Renova Foundation by US\$ 1.1 billion in 4Q21. These decisions mainly changed and expanded the concept of damage, categories, indemnifiable amounts and affected municipalities.
- We partnered with the Movimento Unidos pela Vacina to enhance the operational structure for vaccination in Brazil. We continued with our humanitarian support initiatives, donating 1 million baskets of staple food for families in need in the country. Since 2020, we have donated around R\$ 830 million to combating COVID-19.

For further details on the reparation progress, an overview of ongoing works and projects, and the terms of the Integral Reparation Agreement, please visit www.vale.com/esg. For more details on Renova Foundation, please visit www.fundacaorenova.org.

Dam safety

In 2021, we improved the safety of our geotechnical structures

- Our de-characterization plan advanced and, by the end of 2021, we had concluded the works on 7 out of the 30 structures.
- We improved the safety conditions on the Doutor, Sul Inferior and Norte Laranjeiras dams, allowing reclassification to Emergency Level 1. Additionally, the Emergency Level was removed from Marés I and Forquilhas IV dams.
- We concluded the construction of the backup dam for Forquilhas I, II, III and IV and Grupo dams, near the Fábrica mine. With that, all the structures currently in Emergency Level 3 have backup dams in place.
- We started the removal of tailings from the B3/B4 dam in Nova Lima (MG) and Sul Superior dam in Barão de Cocais (MG) using uncrewed and remotely operated equipment.
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- We established the Independent Tailings Review Board for each Iron Ore business's operational system, aligned with the Global Industry Standard for Tailings Management (GISTM) requirements and other industry references.

- We are committed to implementing the GISTM. As per the self-assessment process conducted, we were more than 60% adherent to the standard requirements by December 2021. We expect to reach 90% adherence in 2022, 100% on tailings facilities with extreme or very high potential consequences by August 2023 and 100% for other structures by August 2025, in line with the deadlines established by the ICMM.
- We started in 2021 the operations of one tailings filtration plant at the Vargem Grande Complex and the commissioning of two tailings filtration plants at the Itabira complex. In 2022, we expect to conclude the last plant in Brucutu, aligned with our commitment to reducing the dependency on the use of dams.
- In 4Q21, we supplemented the provision for the de-characterization of upstream dams by US\$ 1.7 billion after an update of our estimates considering new engineering and geotechnical solutions, including new risk management approaches, the use of remotely operated equipment and reinforcement of the containment plans of certain dams.

Sharing value creation

- Our proforma adjusted EBITDA was US\$ 33.8 billion in 2021, US\$ 11.8 billion higher y/y, mainly due to higher realized prices in ferrous minerals and copper, partially offset by higher costs related to commodities prices and freight.
- Net income was US\$ 22.4 billion in 2021, US\$ 17.6 billion higher y/y, mainly due to the higher proforma adjusted EBITDA and stronger financial results.

Since 2021, shareholder remuneration reached US\$ 23.0 billion:

- In March, June, and September 2021, we have paid US\$ 13.5 billion in dividends and interest on capital for the year 2020 and anticipation of 2021 results.
- Today, our Board of Directors approved dividends of US\$ 3.5 billion. The amount distributed was calculated based on the December 31, 2021, balance sheet, considering our Shareholder Remuneration Policy and including an extraordinary dividend of US\$ 0.7 billion. Payment will be made in March 2022.
- To date, we have spent US\$ 6.0 billion to repurchase the equivalent to 6.3% of our outstanding shares, directly benefiting our shareholders on a per share basis , .

For more information on our Shareholder Remuneration Policy and the historical data on dividends and interest on equity payments, please visit www.vale.com/investors.

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