



# Ethics & Compliance Program Report

## 2022

Audit and Compliance Department

Public information

# Our **Ethics & Compliance** journey

The powerful combination of our management model and our ethical integrity leads us to our purpose: We exist to improve life and transform the future. **Together.**

Our Ethics & Compliance Program is completing two years. Since its launch in March 2021, we have been learning and working to improve the processes that support our activities of prevention, detection and correction of misconduct. And this is what we seek when we talk about putting our management model into practice: **the continuous improvement of our processes.**

In 2022, we took important steps in this journey of continuous improvement of the Program. We held an **Ethics Week** at Vale, 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 **first external audit of the Program**, which will be carried out every two years by an independent consultancy.

In this second annual edition of Vale's **Ethics & Compliance Program Report**, we share how we are evolving to strengthen the culture of ethics and integrity in our company.

# Ethics & Compliance Program

Structured to promote the culture of ethics and integrity at Vale, the Program is composed of six elements that operate in three functions.

## Prevention

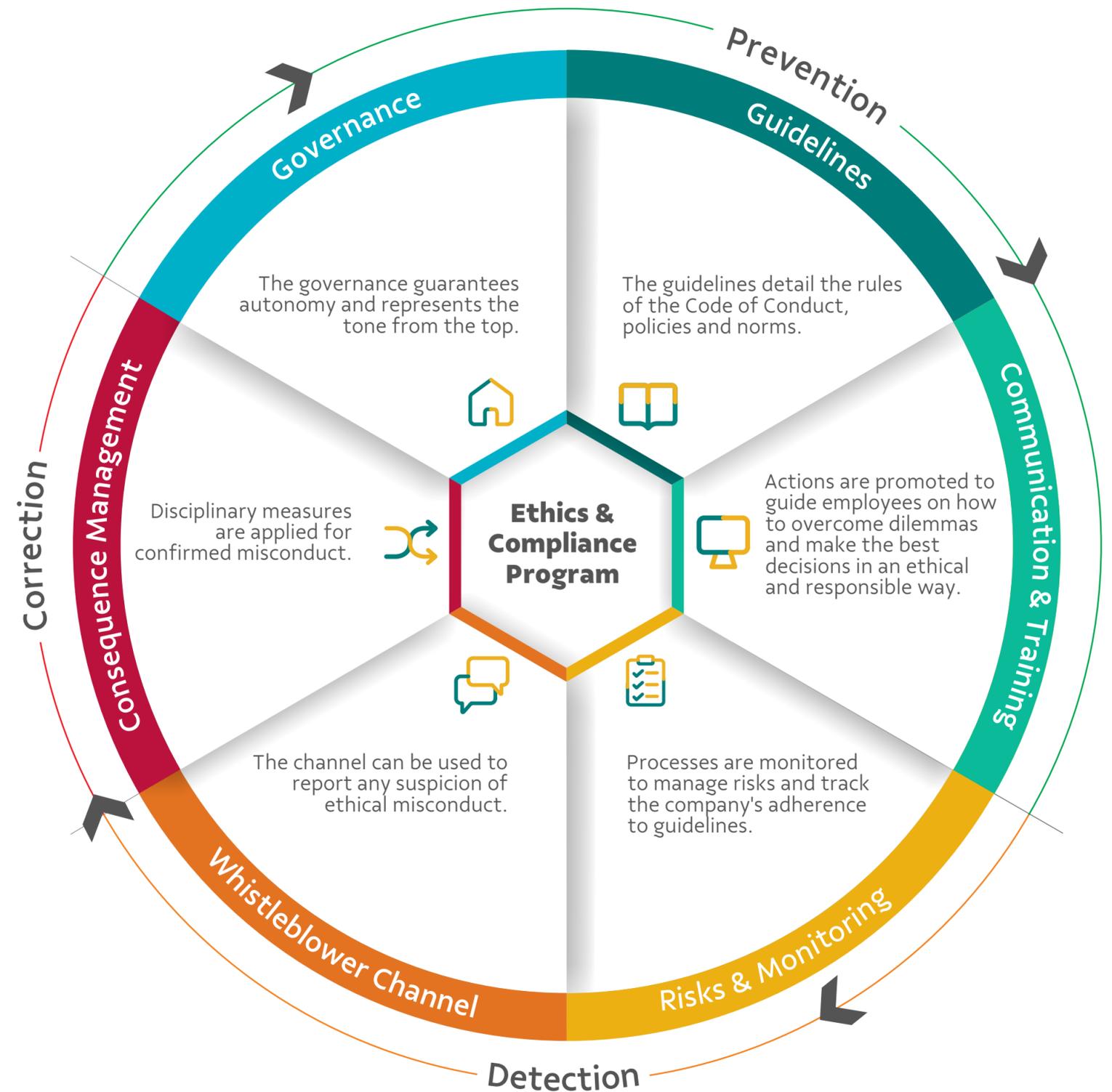
We believe that misconduct can be prevented through solid Governance, with clear Guidelines and continuous Communication & Training actions.

## Detection

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

## Correction

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



# Governance

Autonomy, independence and tone from the top: Vale's Ethics & Compliance Program governance is structured to ensure that the entire organization is committed to our ethical principles.

The **Audit and Compliance Department** is responsible for the Program. Reporting directly to the **Board of Directors**, it is also supervised by the **Audit and Risks Committee** and works in partnership with the **Conduct and Integrity Committee**.

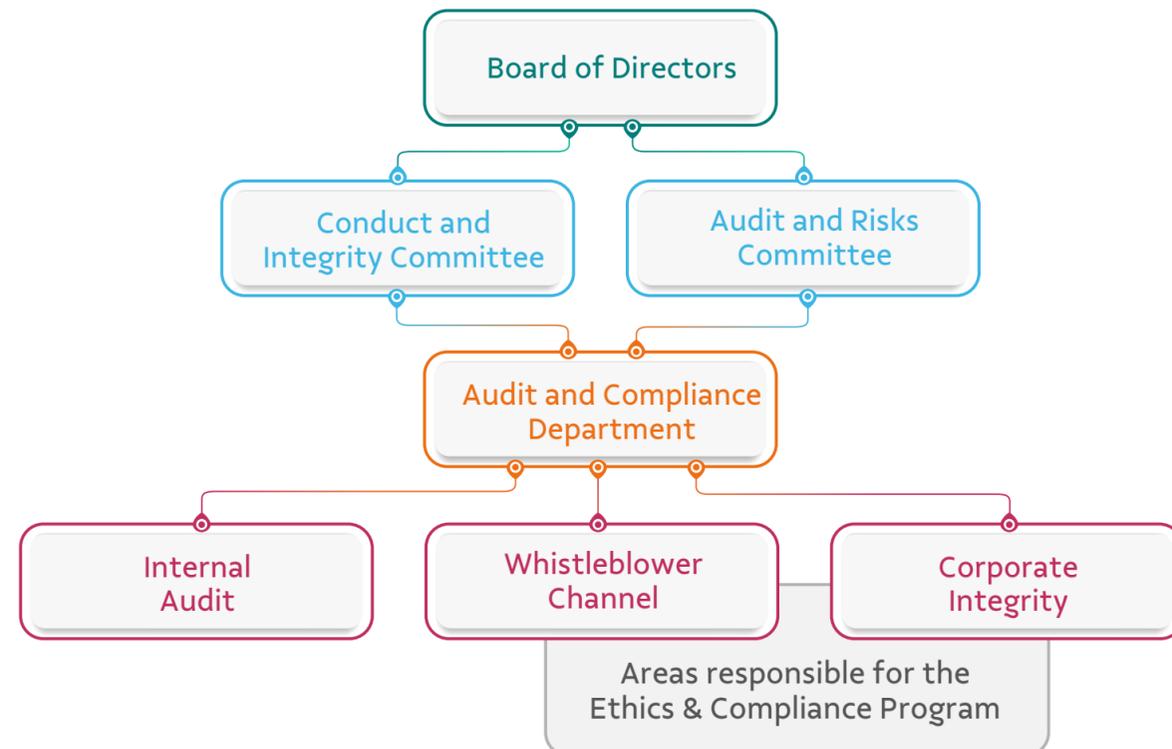


Photo: Leo Lopes

## Tone from the top in practice

“In 2022, our governance bodies had an active participation in defining and monitoring the actions of the Ethics & Compliance Program. More than monitoring and supervising, governance plays a key role in aligning prevention, detection and correction actions with our company's strategy and needs.”



Denis Cuenca  
Chief Audit and Compliance Officer

Photo: Ricardo Teles

# Guidelines

Translating our values into ethical principles and clear rules: this is the main objective of the Guidelines of the Ethics & Compliance Program.

Normative documents that are part of our guidelines:

-  Code of Conduct
-  Principles of Conduct for Third Parties
-  Global Anti-Corruption Policy
-  Global Anti-Corruption Manual
-  Anti-Corruption Guide for suppliers and other types of third parties
-  Global Conflicts of Interest Guidelines
-  Consequence Management Policy

All Vale employees are invited to read our **Code of Conduct** and make a commitment to act in accordance with **our ethical principles** upon joining the company. Suppliers and other third parties are invited to learn about our Principles of Conduct for Third Parties during their registration, before entering into a commercial relationship with Vale.

## 2022 Highlights

“In 2022, we launched our **Principles of Conduct for Third Parties** and worked on standardizing several internal processes. With clear procedures and rules, we aligned expectations and communicated **our values and principles in a simple and objective way** to the different stakeholders we interact with.”



**Camilla Reis**  
Corporate Integrity Executive Manager

Photo: Paula Guimarães

# Communication & Training

Our ethical principles need to be communicated, understood and put into practice by everyone who works at Vale. This is the objective of the Communication & Training actions.

For each audience, a different approach. Customization is an essential part of our Communication & Training strategy. With global initiatives and specific actions for employees who are more exposed to risks, the Ethics & Compliance Program seeks to guide everyone on how to make decisions in an ethical and responsible way.

## Ethics Week

A Vale global mobilization to promote reflection on the impacts of our daily choices. Several messages about ethics were shared during the initiative which took place from Aug 29 – Sept 2.

## Highlights



### Pre-launch

Members of the **Board of Directors** and the Vale **Executive Committee** took part in an Ethics Week pre-launch session and received training from an external specialized consultant.



### Training actions

Two new courses were launched: **Anti-Corruption course**, assigned to employees with e-mail access, and an **Ethics Course** exclusively for contractors.

### Anti-Corruption Course

**Completed by 89%**

of employees with computer access

## Movement for Ethics

One of the highlights of Ethics Week was a global action in which leaders discussed **three ethical dilemmas** with their teams involving **safety, corruption, and discrimination**. The goal was to promote reflection in the daily decision-making process of each employee.

### 85% of Vale employees

worldwide participated in the action



Photo: Vale Archive



Photo: Vale Archive



Photo: Vale Archive

# Communication & Training

More dialogue, better understanding



Photo: Henrique Pinho

**Anti-Corruption training session** for employees in Rio de Janeiro, Brazil.

## Anti-Corruption Training

+1,300 employees trained

## Anti-Corruption Training for priority groups

Employees from areas classified as priority groups due to their exposure to the risk of corruption participated in specific training on anti-corruption rules.

With customized content, based on the processes with which they interact, these training sessions promote the discussion of real and fictitious cases for content retention.



Photo: Wafa Al Kindi

**Ethics Talk** with employees in Sohar, Oman.

## Ethics Talks

+3,000 employees  
38 sessions  
16 operations  
4 countries

## Ethics Talks around the world

“This past year, we also had the opportunity to resume our face-to-face meetings with employees from operations and corporate areas around the world. We held **38 Ethics Talks** sessions in **16 operations** in **four different countries**. We gathered more than **3,000 employees** and shared information about our Program and the activities of the Whistleblower Channel.”



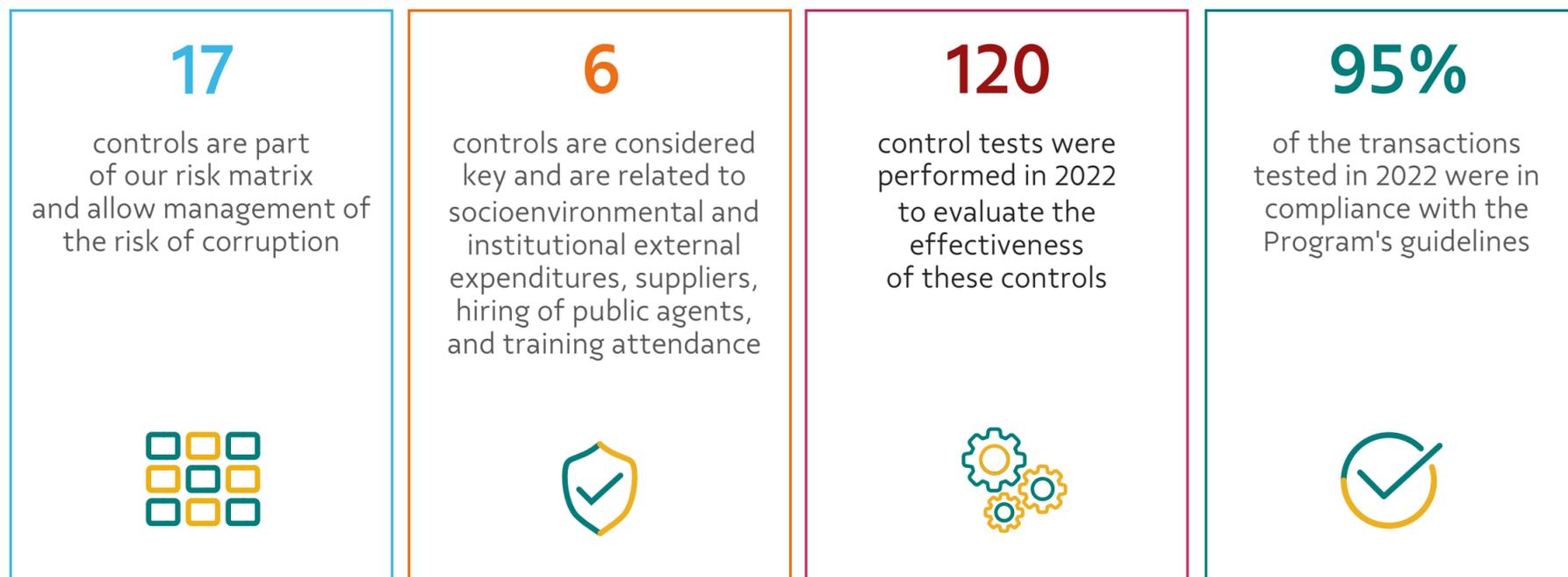
**Pedro Grossi**  
Whistleblower Channel Executive Manager

Photo: Paula Guimarães

# Risks & Monitoring

Through controls, tests, and continuous monitoring activities, we closely monitor adherence to the guidelines of the Ethics & Compliance Program.

How did we manage the **risk of corruption** in 2022?



All identified non-compliant transactions were addressed, and no deviations were identified.



**13,993**  
background checks



**2,497**  
socioenvironmental and institutional external expenditures requests (sponsorships, donations, contributions, and others)

# Whistleblower Channel

Vale's Whistleblower Channel can be used by anyone, inside or outside the company, who wants to report a suspicion or violation of our Code of Conduct.

The reports are registered by an independent company and forwarded to our team responsible for the investigations. All information is treated with secrecy and confidentiality. Under no circumstances will there be intimidation or retaliation against whistleblowers.

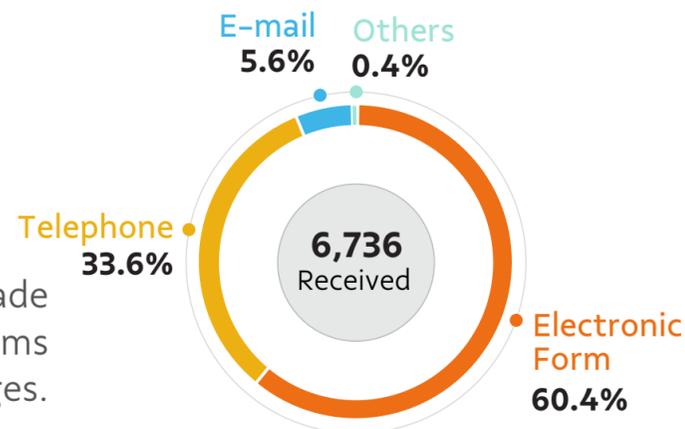
In 2022, we **received 6,736 reports** and **closed 6,600 records**. This number of reports received represents a **7.8% growth** compared to 2021, a lower growth rate when compared to previous years.

## New Channel

Since April 2022, Vale employees and contractors in Brazil can also count on a channel operated by a **specialized and independent team** to listen, understand and guide anyone reporting sexual harassment or discrimination. By calling this **new channel**, the employee or contractor **decides whether or not to register an allegation**, which will be investigated by Vale's Whistleblower Channel team.

### Reports in numbers

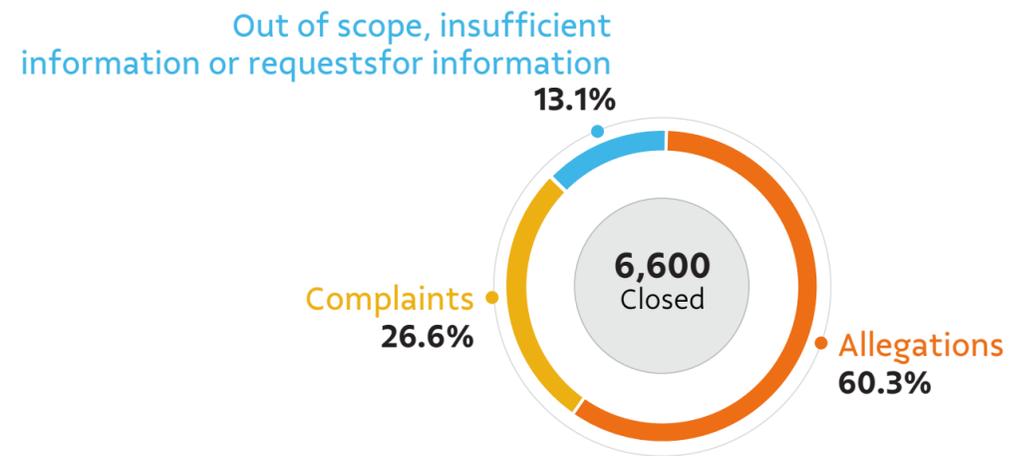
How reports were received



**65%**  
of reports received  
were **anonymous**

Reports can be made through different platforms in multiple languages.

Closed reports



**46.6%**  
of the investigated allegations  
were **confirmed**

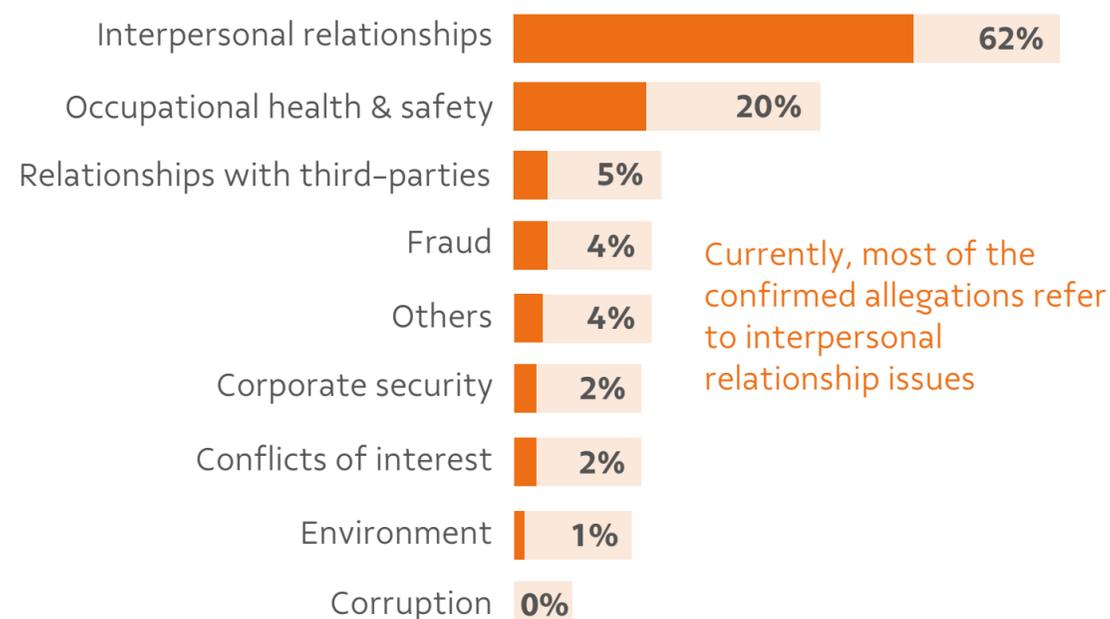
Complaints are reports that do not represent violations of the Code of Conduct or non-compliance with policies and procedures or legislation. They do not require investigation and may be directed to the responsible areas for an appropriate response.

# Whistleblower Channel

In 2022, **62% of the allegations** investigated and confirmed by the Whistleblower Channel **were about interpersonal relationships**. This category includes reports on inappropriate behaviour, inappropriate management, harassment, sexual harassment and discrimination.

In addition to raising employees' awareness, the increase in the confirmation of reports about interpersonal relationships can also be attributed to the launch of the **new channel** for reporting sexual harassment or discrimination in April 2022. This new channel allows employees and contractors to feel more **comfortable reporting** sensitive information, contributing to the effectiveness of the investigation process.

## Investigated and Confirmed Allegations (1,853)



## Confirmed cases

**36** Sexual harassment

**8** Discrimination

**4** Gender

**2** Ethnic and racial

**1** Sexual orientation

**1** Gender and disability

**34** Harassment

All confirmed cases of sexual harassment and discrimination were classified as high and very high severity, according to Vale's Consequence Management Policy, resulting in termination of employment. The confirmed cases of harassment generated action plans involving training, coaching, feedback, suspensions, warnings and, in the majority of cases, termination of employment. The cases involving contractors led to the companies being notified and the demobilization of the people involved.

## How are we reacting to the increase in cases involving interpersonal relationship?

"We are in a process of cultural transformation. The Whistleblower Channel numbers help us monitor progress and identify potential issues, which are addressed through our **Diversity, Equity & Inclusion** actions. In 2022, for example, we identified the need to reinforce the fight against sexual harassment. As a result, we launched an exclusive webpage about harassment including the **'React' video-training**, which provides guidance on how to proceed when witnessing or being a victim of sexual harassment in the workplace. In addition to the training, we held anti-harassment conversation sessions that brought together more than **19,000 employees in Brazil, Canada, Indonesia, and Malaysia**. We are committed to fighting any kind of harassment and discrimination in our company and will continue on this journey in 2023."



Photo: Vale Archive

**Marina Quental**

Vice-Presidente Executiva de Pessoas



Watch the **'React' video-training**  
(available in Portuguese only)

# Consequence Management

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 2022 triggered corrective plans. During the year, **2,941 corrective actions and disciplinary measures** were applied, including **171 terminations of employment**.

In addition to the terminations of employment, we had contractor demobilization actions, feedback, warnings and suspensions, process improvements, and other measures.

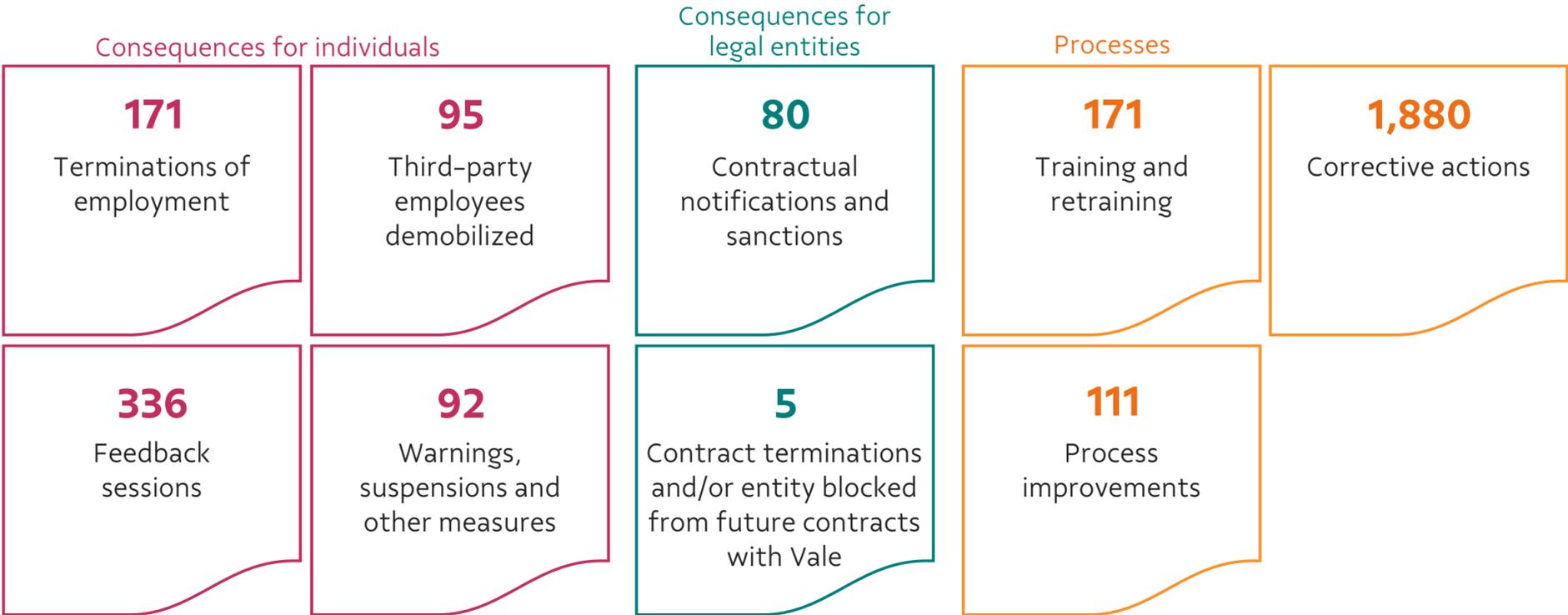


Photo: Leo Lopes

These numbers reflect the disciplinary measures applied to cases confirmed by Vale's Whistleblower Channel. Misconduct can also be identified by the leadership in the day-to-day work routine. In both cases, the leadership plays a leading role in the process of consequence management and is responsible for the application of disciplinary measures.



For more information, visit the [Ethics & Compliance](https://www.vale.com/web/esg/) page at [vale.com/web/esg/](https://www.vale.com/web/esg/) or scan the QR code.