



Photographer: Ricardo Teles

Tax Transparency Report 2022





Index

Our Purpose

We exist to improve life and transform the future. Together.



Values



Our Levers



Key Behaviors



Ambitions



- Life matters most
- Act with integrity
- Value the people who build our company
- Make it happen
- Respect our planet and communities



- Safety
- VPS¹
- People
- Innovation
- Sustainability



1. Obsession with safety and risk management
2. Open and transparent dialogue
3. Empowerment with accountability
4. Sense of Ownership
5. Active listening and engagement with society



We want to be a great company recognized by society for being:

1. Benchmark in safety.
2. Best in class reliable operator.
3. Talent-driven organisation.
4. Leader in sustainable mining.
5. Reference in creating and sharing value.

¹Vale's integrated Production System seeks to strengthen Vale's organizational culture through people development, standardization of best practices, operational discipline and routine compliance.



Fotógrafo: Arthur Massao Felipe de Toledo

In 2022, Vale turned 80 years old, a landmark year for the company, during which we outlined our Strategy for the Vale of the future. As we look ahead to our centenary, we recognize our responsibility and commitment to mitigate the impact of our operations and to leave a positive economic, social and environmental legacy in the places where we operate. We are uniquely positioned to deliver high-quality iron solutions for lower emission steelmaking and essential metals to support the energy transition.

Our operations in mining and logistics seek to build a fairer and more dignified socioeconomic reality today, whilst also building a strong legacy for future generations. To that point, Vale remains focused on engaging with our stakeholders. The publication of our fourth annual Tax Transparency Report is a key part of that.

In December of 2022, Vale announced a new leadership structure designed to accelerate the achievement of our strategic objectives. And as a result, it is the first time that I, in my role as Executive Vice President of Finance and

Message from our Executive Vice President of Finance and Investor Relations

Investor Relations, have the opportunity to sponsor this report which details the taxes we pay and the contribution we make to the places where we are present.

The aim of the report is to enable our stakeholders to better comprehend the global contribution we make to societies and economies through our operations. Something we are immensely proud of.

Tax is a fundamental part of the relationship between business and society. The taxes we pay contribute to the growth of local, national and global economies and we take the payment of taxes seriously.

In 2022, Vale paid total taxes of US\$ 9.6 billion – over 90% of which was paid in Brazil.

Our ten-year economic contribution figure now stands at US\$ 367 billion.

Our Approach to Tax remains guided by the same five principles:

- Transparency
- Creation of long-term value
- Effective risk management and control
- Excellence in compliance
- Proactive and open engagement with tax authorities and stakeholders

Our approach means we respect local tax laws and build effective internal processes to ensure full compliance. It means our business decisions are guided not by our tax liabilities but by creating shared long-term value for the communities where we are present and our partners.

In this report we disclose more about our economic and social contribution in five key areas, with full details in the body of the report and in our Integrated Report:

- **The taxes we pay:** In 2022, we paid a total of US\$ 9.6 billion globally. We believe our tax contribution is a fair and proportionate reflection of the value we create.
- **The jobs we support:** Our operations directly support over 200,000 jobs in over 18 jurisdictions many of which are highly skilled and transformative for our people and their communities.

• **The investments and innovation we make:** We have invested in technological solutions to reduce our carbon emissions by carrying out tests with locomotives, trucks, and electrical equipment in Brazil as well as in our underground mine operations in Canada.

• **The partners we support:** In 2022, Vale's Executive Committee formalized a bold target to lift half a million people out of extreme poverty by 2030. We want to contribute to the empowerment of local communities that may not have access to fundamental rights, enabling them to become resilient and owners of their future.

• **How we engage with stakeholders:** We openly engage with all our stakeholders as part of our 'New Pact with Society'. This includes engagement with international organisations, such as the International Council on Mining and Metals (ICMM), the Extractive Industries Transparency Initiative (EITI) and other industry bodies, and alignment with global transparency initiatives, such as [GRI 207](#).

I would like to take this opportunity to thank Vale's global team of tax professionals, who each year endeavour to reflect the feedback we receive from stakeholders. This has led to enhancements this year, including a more clearly signposting our current alignment with [GRI 207](#).

We hope this report demonstrates our continued focus on transparency and our commitment to delivering value for society.

I invite you to consider the report with that perspective in mind. We remain on a journey driven by our mission: to improve life and transform the future. Together.

Gustavo Pimenta
Executive Vice President of Finance and Investor Relations

Introduction

This document is Vale's fourth annual tax transparency report and is designed to enable our stakeholders to better understand the importance and breadth of our business and the global contribution we make to societies and economies through our operations, by explaining our tax payments and their impact in the jurisdictions where we operate.

This report aims to demonstrate our continuous progress in our transparency journey and we hope stakeholders welcome this information and find it meaningful and clear. For a comprehensive overview, we direct readers to our [Integrated Report](#) for further information on Vale's key environmental, social and governance activities.

Vale is one of the world's largest iron ore and nickel producers, with operations in over 18 jurisdictions on four continents. Our core business is an essential activity for the world; ores and minerals extracted from our mines are used across the globe in vital products and processes, from the constructions of houses, innovations in the health arena, new technologies, and the manufacture of cars and home appliances.

The company also produces iron ore pellets and copper. Our nickel and copper concentrates contain by-products of platinum group metals ("PGMs"), gold, silver and

cobalt. Producing this variety of raw materials requires an infrastructure that includes mineral exploration, operational units and administrative offices connected to a logistics network that integrates mines, railroads, ships, and ports for the fast and safe transportation of ore.

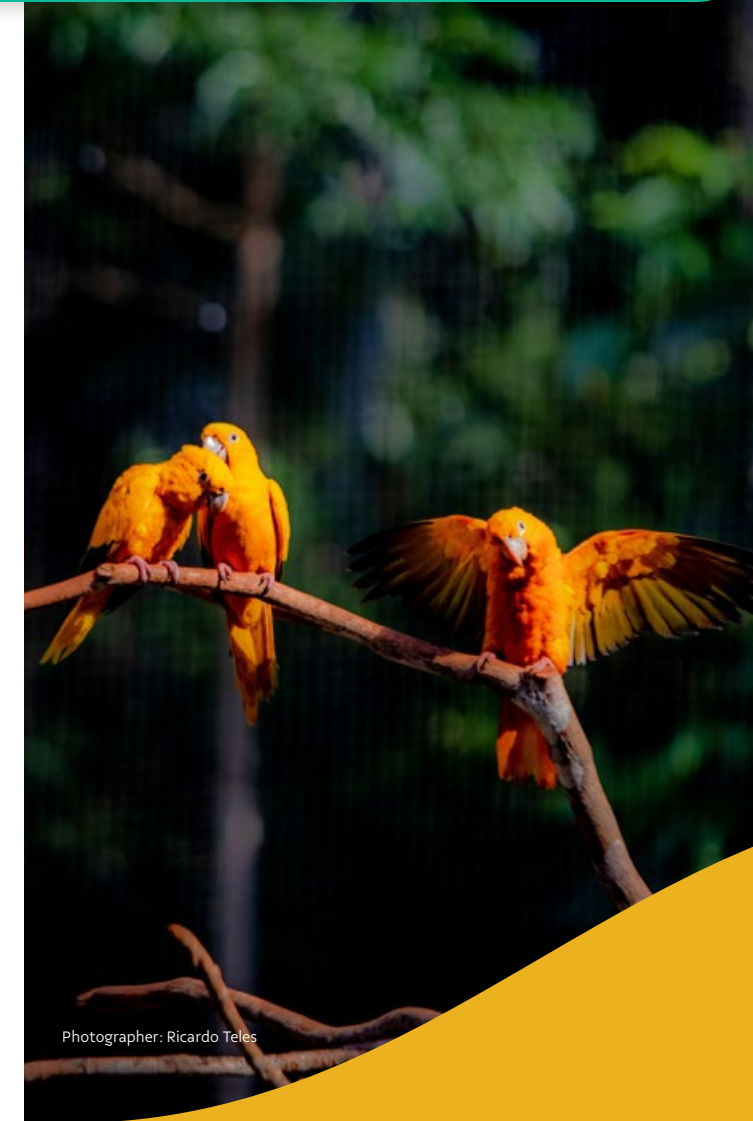
As an organisation, we are committed to integrating sustainability into our business by building a strong and positive economic, social and environmental legacy and mitigating the impacts of our operations. Our strategy is not only to ensure effective operational performance, but also to create value for society, investors, employees, suppliers, communities, among other stakeholders. And, the taxes we collect and pay represent just one of the ways in which we embrace this responsibility.

Vale has a dedicated global team of tax professionals, whose role is to help generate shared and sustainable value for all our stakeholders in the company's journey towards a more sustainable and safer mining model.

Indeed, we are active beyond the traditional mining value chain as we serve society while taking care of the planet. More information and examples of our contribution to society, such as our Sol do Cerrado project, can be found in [Our Value Chain' section](#).

We continue to align with the Global Reporting Initiative's GRI 207 standard in order to provide more comprehensive information about our tax practices publicly, and we engage with global industry forums such as the ICMM and the EITI to promote greater transparency. In addition to this report, information on our payments to governments is publicly available and disclosed through compliance with the Canadian Extractive Sector Transparency Measures Act ("ESTMA") and through our participation in EITI reporting in jurisdictions which have adopted the regime, including Indonesia.

This report is intended to be concise, understandable and accessible to all our stakeholders. We welcome your engagement and feedback – please do share your comments with us using the [Contact Us](#) page of Vale's website.



Photographer: Ricardo Teles



1 Brazil

- Offices
- Exploration
- Operations
- Joint Venture
- Headquarter
- Port
- Railroad

2 Argentina

- Offices

3 Chile

- Offices
- Exploration

4 Peru

- Offices
- Exploration

5 USA

- Offices

6 Canada

- Offices
- Exploration
- Operations
- Port

7 U.K.

- Offices
- Operations

8 Netherlands

- Offices

9 Switzerland

- Offices

10 Oman

- Offices
- Operations
- Port

11 U.A.E.

- Offices

12 India

- Offices

13 Malaysia

- Offices
- Operations
- Port

14 Singapore

- Offices

15 Indonesia

- Offices
- Exploration
- Operations
- Port

16 Australia

- Offices

17 China

- Offices
- Operations

18 Japan

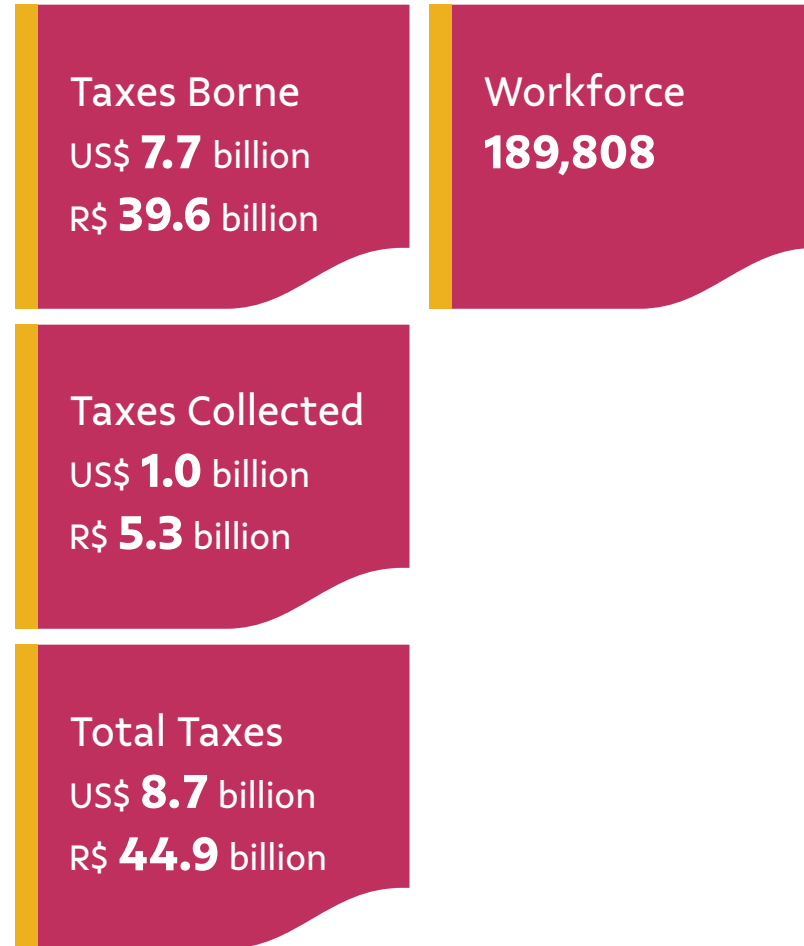
- Offices
- Operations

Key figures for 2022

Global

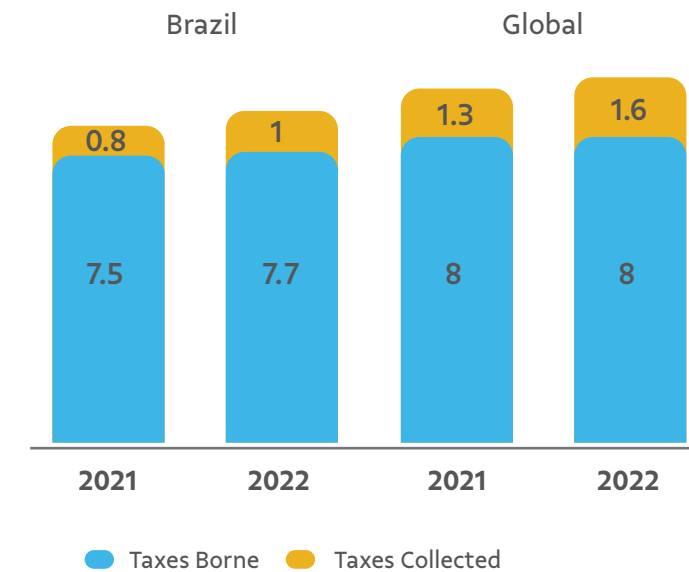


Brazil



Our payments to governments over the last 2 years

Values in US\$ billion



²In 2022 Vale's workforce comprised 64,516 employees and 150,831 contractors, 88% of them located in Brazil.



Photographer: Isaque Junior

Our wider contribution

1

Our wider contribution

With a continued focus on maximizing the delivery of value to society, we have made progress as a development enabler in the areas where we operate and we foster a safer and more sustainable mining industry, allowing for the development of low-carbon solutions, combined with the creation of value for society and a focus on business discipline.

For us, this means caring for the environment when we explore, build and operate our sites, and rehabilitating the land when our operations cease. Vale continuously invests in technological solutions to reduce its carbon emissions, such as, carrying out tests with locomotives, trucks, and electrical equipment in Brazil and in Canada. Furthermore, we have sponsored forest recovery and protection, in addition to investing in research on biodiversity.

We seek to build strong and lasting relationships with our stakeholders, invest in mitigating the effects of our activities, work to high ethical standards, have transparent management and actively contribute to advances related to the environment, biodiversity and sustainable development.

It also means delivering shared value over the long-term not just for our company and shareholders but for our employees, suppliers, communities and host countries.

We believe that the taxes we pay, jobs we create, investments we make, and partners we support, are fundamental to this mission.

This report, and other sustainability reporting via our Integrated Report, is designed to evidence these points in addition to our overall economic contribution.

10-year contribution³:

We are proud of our long-term collaboration in the communities where we operate. In the last ten years, we have contributed over US\$ 367 billion across our operating jurisdictions and regions.

US\$ 42.6 billion – Vale's direct economic contribution globally in 2022, comprising the following items, as measured under GRI 201-1.



Payments to governments
7,932⁴



Environmental Expenditures
767



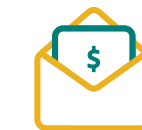
Employee salaries and benefits
2,001



Operational costs
22,212



Research and Development
660



Payments to capital providers
7,388



Social Expenditures
1,609

Values in US\$ million

³Source: Integrated and Sustainability report for period 2013 to 2022.

⁴This amount differs from our total tax contribution of US\$ 9.6 billion as do not include employee taxes, following GRI 201-1 measure standard.



Photographer: Marcelo Coelho

Our value chain

2

Our Value Chain

Through our operations we make important contributions to the places where we work. The taxes and royalties we pay, people we employ, local businesses we support, and social development projects we fund, improve our communities. Our projects are long-term investments and the amount we contribute depends on where in the project life cycle it is. Our objective is to create long-term, win-win and sustainable value not just for our shareholders but also our employees, our suppliers, our local communities and the regions and countries where we operate.

The graphic demonstrates how we contribute, financially, socially and sustainably to the communities and areas we work in at the different stages of our projects.



Mineral exploration

We invest in technical and feasibility studies to understand potential value

The first stage is mineral exploration, which means assessing and quantifying reserves. It involves early excavation and analysis by highly-skilled employees and contractors, including geologists and experts in sustainability.

Our contribution at this stage is limited to permits and license fees, as well as employment taxes and costs associated with construction – recognizing the huge upfront investment needed for exploration.

Our economic contribution

- Licenses, permits and fees are normally paid to governments at this stage
- Employment related contributions (wages and taxes)
- Payments to suppliers and contractors
- Withholding taxes on payments to suppliers and contractors
- Social contribution on third party contractors
- Property taxes (taxes for owning rural or urban properties and vehicles)
- Taxes on real estate transfers



Development and construction

We build to create future value

This stage involves heavy investment in people and infrastructure as we construct facilities and supporting networks. In some cases, it also involves the construction of towns and social amenities, like schools and parks, as well as rail lines such as the Vitória-Minas and Carajás Railroad in Brazil.

This period of development creates jobs, both through construction and through local businesses who supply materials, equipment and services to our sites and workforce. Alongside this significant capital investment and payments to suppliers, our economic contribution also includes indirect taxes, such as employment taxes, and excise taxes on materials and equipment.

Our economic contribution

- Significant capital expenditure
- Employment related contributions (wages and taxes)
- Indirect taxes
- Payments to suppliers and contractors
- Contribution to communities
- Withholding taxes on payments to suppliers and contractors
- Social contribution on third party contractors
- Property taxes (taxes for owning rural or urban properties and vehicles)
- Taxes on real estate transfers



Mine, process and logistics

We operate our mines and process minerals and metals safely to generate value

Extraction and processing of commodities is at the core of this operating life phase, while developing solutions to prioritize energy efficiency, safety and the reduction of CO₂ emissions. At this stage, royalty payments start and corporate income taxes begin. This phase also involves logistics, including the moving, handling, warehousing and distribution of materials throughout the supply chain.

Our economic contribution

- Royalties
- Corporate income taxes
- Employment related contributions (wages and taxes)
- Indirect taxes
- Payments to suppliers and contractors
- Long-term contribution to communities
- Withholding taxes on payments to suppliers and contractors
- Social contribution on third party contractors
- Property taxes (taxes for owning rural or urban properties and vehicles)
- Taxes on real estate transfers



Commercial and distribution

We commercialize and transport our products to maximize value

Products are sold and transported to our customers to maximize value and minimize market risk through core commercial activities. This phase, in particular, supports our suppliers and local and international business partners.

This is a substantial logistical effort, with significant payments to suppliers and the corresponding economic contribution in terms of indirect, and other taxes.

Our economic contribution

- Corporate income taxes
- Employment related contributions (wages and taxes)
- Indirect taxes
- Payments to suppliers and contractors
- Withholding taxes on payments to suppliers and contractors
- Social contribution on third party contractors
- Property taxes (taxes for owning rural or urban properties and vehicles)
- Taxes on real estate transfers



Decommission and rehabilitation

We create sustainable value after we finish our operations

This phase involves the closure of operations and the sustainable rehabilitation of the land. The multiple legal, environmental and social attributes, as well as economic aspects are all considered. Integrated and systemic planning is essential to the sustainability and reintegration of the mined territories to physical and biotic, contributing to the sustainable development of these locations.

Our economic contribution

- Employment related contributions (wages and taxes)
- Payments to suppliers and contractors
- Support to communities
- Withholding taxes on payments to suppliers and contractors
- Social contribution on third party contractors
- Property taxes (taxes for owning rural or urban properties and vehicles)
- Taxes on real estate transfers





Beyond the traditional value chain
 Vale goes beyond the traditional mining value chain to support the communities where we operate. Our efforts to add value to our communities, such as sustainable mining initiatives, demonstrate our ambition to serve society whilst taking care of the planet – examples of which follow.

Photographer: Ricardo Teles

Decarbonization

Aware of all the planet's current urgencies, Vale reinforces our pact with society. And, in line with the best sustainability practices worldwide, we will invest in reducing our carbon footprint in all areas within the company's scope of responsibility. Vale has several decarbonization initiatives at its operations and in the production chain. We have entered into decarbonization partnerships with more than 30 customers, representing about 50% of our Scope 3 emissions.

There are three important transitions to consider for mining in a low-carbon world. The first is the shift in energy source from diesel to electricity or alternative fuels. Second, digitalization, which results in higher productivity and more sustainable use of resources, while reducing the cost of inputs. Digital transformation is likely to be an essential factor for acquiring and keeping our license to operate. In digital mining, operations will be connected, improving safety, productivity, and efficiency. The third is automation, which is also likely to increase productivity and change work patterns.

The Amazon

The Amazon accounts for 50% of the world's tropical forests, and it houses the world's largest drainage basin, a fifth of the planet's fresh water, 400 billion trees and 20% of the Earth's total biodiversity. In addition, it also stores 150 to 200 billion tons of carbon.

Vale has been in the Amazon for more than 30 years supporting the conservation of approximately 800 thousand hectares of rainforest in partnership with Brazil's ICMBio. The area is five times the size of São Paulo's capital city and represents a total of 490 million tons of carbon equivalent. For every hectare impacted by our operations, we protect 11 hectares.

Community

Vale's priority is to establish relationships based on respect and trust with the communities impacted by our operations. Consequently, we are investing in various initiatives to contribute to social and environmental development in the locations where we are present, and we offer services to meet communities demands and needs, such as passenger train services, optimizing local trades and skills, and promoting community health and education.

In order to engage communities, Vale aims at establishing structured dialogue spaces for Community Relations Plans. The plans have as their principle the social participation and mobilization in the definition and prioritization of social actions to be implemented in the communities.



Innovation

Innovation is a material topic for us, which cuts across and connects with all the others. To reflect this vision, we have several innovation initiatives

Mining Hub – an example of collaboration for innovative solutions in the mining industry as a whole. Participants include 24 mining companies, 700 startups and 15 large suppliers, with a reach of 22 countries.

Colab Nature-based Solutions (NBS) – a collaborative environment for generating innovative solutions linked to a science-based bioeconomy, with a focus on the Amazon region.

Product enhancement

Vale makes continuous effort towards its portfolio enhancement, in conjunction with sustainable initiatives through the use of technology in our day-to-day operations, such as our Green Briquettes, capable of reducing greenhouse gases during the steel production process or our Concentration projects, for the magnetic concentration of low iron ores, without using water.

Biodiversity

Biodiversity is an intrinsic and essential aspect to our business. Therefore, we are committed to discover and monitor the regions in which we operate, manage the risks and impacts associated with our business activities, and be transparent to society about our practices.

Our initiatives include researches focused on knowledge about territories and improvement of knowledge about threatened species, recovery of degraded areas, innovation, technology development, and maintenance of protected areas, which are important remnants of the biomes where we operate.



Photographer: Leo Lopes

Our approach to tax

3

Our approach to tax as detailed in this document reflects Vale's global strategy for all tax-related matters. This report is endorsed by our Vice President of Finance and Investor Relations and by Vale's Executive Board.

Tax Governance

In our organisation, the tax function is led by our Vice President of Finance and Investor Relations⁵ who is accountable for this report and who sits on Vale's Executive Board, which regularly reviews and oversees the group's tax affairs.

Our approach to tax is maintained by our global team of experienced tax professionals and is guided by five core principles; it is embedded within our organisation's business activities, functions, processes and systems through the application of our risk control framework.

Our tax principles

Vale's tax affairs and tax risks are managed by a global team of professionals who abide by the following principles in their day-to-day work:

Transparency

Being transparent about the taxes and royalties we pay is a way to demonstrate how we contribute to the economies of the jurisdictions and communities where we operate. By adopting a transparent approach, we aim to foster trust with our local, national and international stakeholders.

Creation of long term value

Our vision is to create long-term value for all stakeholders involved in our business activities. Investment in our mines is often a multi-decade commitment to a community, and where we can share value, we create a stronger sustainable business.

Effective risk management and control

In every aspect of our business, we work to provide certainty and manage risk. In terms of tax, this means that we have effective frameworks in place to identify, monitor, control and manage our tax risks, and to ensure we are correctly meeting our obligations.⁶

Excellence in compliance

We strive for excellence in relation to tax compliance. We fully respect applicable local tax laws in their spirit and letter and comply with tax reporting obligations in every jurisdiction where we operate.

Proactive and open engagement with tax authorities and stakeholders

We seek to develop open, collaborative relationships with tax authorities, acting with integrity in the jurisdictions in which we operate. We engage in proactive discussions in relation to tax matters, business operations and investments.

⁵In December 2022, Vale announced its new leadership approach to accelerate the achievement of strategic objectives. As a result of these changes, the tax function is now led by the Vice President of Finance and Investor Relations. _____

⁶The guidelines and guidance for the corporate risk management strategy are set out in [Vale's Risk Management Policy](#).

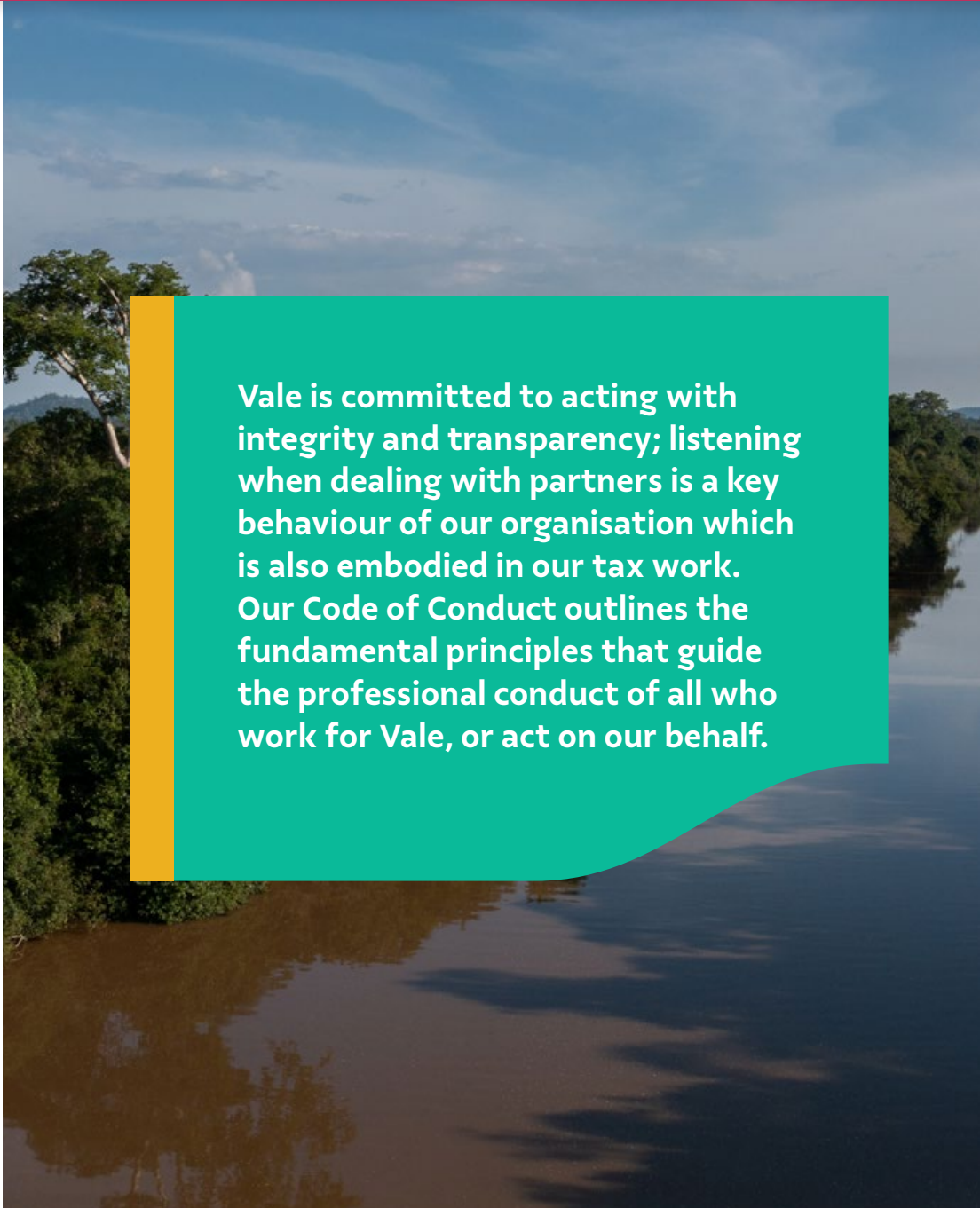
Our principles in practice

We have a responsibility to all stakeholders to consider tax as part of our operations. The primary motivation of our business is to generate shared and sustainable value for all our stakeholders so that we can serve society, giving back to all. It is in this same spirit that we approach tax and investment.

Throughout the value chain, our global team of tax professionals enables the wider business to achieve its key objectives to deliver innovation and make progress towards decarbonizing our business. The tax team's role is to partner the business and ensure all company projects are managed in accordance with applicable tax rules.

Vale's tax professionals provide continuous support and bespoke tax advice to assist the delivery of key projects, many of which enable the company to deliver its sustainability initiatives.

We recognize the importance of respecting the letter and spirit of the applicable tax legislation, anticipating the project's expected tax implications and applying one of our key behaviors by engaging with society through an open and trustworthy dialogue with local tax authorities.



Vale is committed to acting with integrity and transparency; listening when dealing with partners is a key behaviour of our organisation which is also embodied in our tax work. Our Code of Conduct outlines the fundamental principles that guide the professional conduct of all who work for Vale, or act on our behalf.

Anyone, inside or outside Vale, who wants to report a case, or a suspected case, of ethical misconduct, can use Vale's [Whistleblower Channel](#). The channel is an exclusive tool for this purpose, structured to ensure absolute confidentiality, protecting the anonymity of the whistleblower and preserving the information so that a fair investigation can occur.

The Whistleblower Channel guarantees all the conditions for a report to be independently verified. Under no circumstances will there be any breach of confidentiality, intimidation or retaliation against the whistleblower.

Case Studies – Tax and sustainable mining

Vale and its tax team believe that sustainable mining is essential to global development.

Sol do Cerrado – Renewable energy for Vale’s operations

In 2022, Vale launched the Sol do Cerrado project in the municipality of Jaíba, in northern Minas Gerais, Brazil and began to generate renewable energy. The project is one of the largest solar parks in Latin America, with installed peak capacity of 766 Megawatts, equivalent to the power consumed by a city of 800,000 inhabitants.

The project aims to generate renewable energy to meet 16% of Vale’s estimated energy consumption in Brazil by 2025, reducing our emissions by 134,000 tCO₂e per year – the equivalent of approximately 100,000 compact cars.

Vale was proud to present this project at the COP 27 Climate Conference in Sharm El Sheikh, Egypt as a demonstration of both our climate commitment and fostering ties with the local communities through the workforce used for the construction in an aim to promote local development.



Photographer: Zé Palma

Vale Ventures – Investment in the Sustainable Startup Ecosystem

To support the transition to a more sustainable world, the Vale Ventures project involves the creation of a US\$ 100 million fund dedicated to the acquisition of minority stakes in startups focused on four themes:

- **Decarbonization in the mining value chain** – Investing in technologies that will help Vale and its customers reduce carbon emissions, supporting their goal to become carbon neutral by 2050.
- **Zero-waste mining** – Reducing waste and the environmental impact of mining while supporting the circular economy and generating new revenue streams.
- **Energy transition metals** – Accelerating the supply of essential metals to power the energy transition and foster emerging demand drivers.
- **The future of mining** – Investing in disruptive technologies that will change how miners operate.

In our vision to create long-term value, the tax team has continuously partnered with the business across these projects lifecycles in an active manner, right from the initial investment considerations. This included analysis of the structures and the taxes involved at various stages of the projects to enhance the certainty of tax treatments under the schemes applicable, such as the Special Regime of Incentives for Infrastructure Development (REIDI, in Portuguese) regarding the Sol do Cerrado project, all with a view to maximizing investment for a more sustainable world.

Tax compliance

As an organisation with a global footprint, we are subject to numerous statutory reporting obligations. For this reason, we count on expert professionals with a deep knowledge of local and international taxation. Our organisation meets its compliance requirements on a local, regional and/or worldwide basis by means of consistent, timely and efficient processes.

We focus on quality and control with regard to our tax compliance obligations and have robust internal audit processes that analyze how we meet tax filing and compliance procedures.

Tax risks

We have solid internal risk management procedures in place to manage the diverse and complex tax transactions carried out across our business. While uncertainty in relation to tax matters is an element that cannot be fully excluded from our business, tax risks are regularly identified, escalated and monitored.

Where material uncertainties are identified, they are properly assessed and discussed with external advisors, before the Company's position is agreed by the Compliance

Business Risks Executive Committee, the Board of Directors and the Executive Board.

Under our risk management framework and company policies, the company's risks, including on tax-related matters, are identified, monitored, reported and reviewed at the appropriate management levels up to Board level. Depending on the matter, tax risks and their level of acceptance are delegated to specific tax committees or to the Executive Board. Further information regarding the guidelines and guidance for the corporate risk management strategy can be found in the Vale's Risk Management Policy made available in the [link](#).

Tax planning

Our business is constantly changing and so is the legal and wider environment in which we operate. In conducting our commercial operations, we will consider – among many factors – the tax laws of the countries in which we operate, with a view to maximising long-term value on a sustainable basis for all our stakeholders.

The structuring of our operations gives full regard to the potential impact on our business goals and embeds both commercial and economic substance. While we might seek to take steps, for example, to reduce the risk of double taxation (i.e., the same income being taxed twice in two different jurisdictions), we will not put in place any arrangements that are contrived or artificial.

It is our Company's policy to always operate in compliance with all applicable local legislation. In case of uncertainty or doubt when interpreting the law, we seek independent external advice to fulfill our tax obligations.

Furthermore, certain aspects of Brazilian tax legislation may result in the payment of taxes in Brazil regardless of the international nature of our operations. We explain some of these aspects in more detail below.

First, under Brazilian legislation, Vale is subject to Controlled Foreign Corporation ("CFC") rules, as the jurisdiction of our ultimate parent entity is Brazil. Brazilian CFC rules are among the strictest in the world, as they require the taxation in Brazil of the statutory profits of all direct and indirect foreign subsidiaries and affiliates, regardless of the location of those entities. All such profits are subject to corporate income tax legislation in Brazil and taxable at a statutory rate of 34% with compensation for corporate income tax paid abroad.

Second, Brazilian CFC rules apply in coordination with stringent transfer pricing rules, which aim to prevent profit-shifting to foreign affiliates. Given the nature of our products, the "Commodity Exchange Export Price Method" ("PECEX"⁷ in Portuguese) applies to us. This transfer pricing methodology is also the basis for royalties paid in Brazil ("CFEM" in Portuguese).

Third, these rules apply in coordination with Brazilian thin-capitalization regulations, which aim to prevent any attempt to erode the Brazilian tax base in relation to interest payments to related parties or third-party financial institutions located in low-tax jurisdictions.

⁷Transfer pricing methodology set by Normative Instruction nr 1,312/2013, for sales to foreign related parties, in which the Brazilian revenues rely on quoted prices in internationally recognized commodities exchanges, subject to certain adjustments like timing, location, and intermediation costs.

Engagement with tax authorities and stakeholders

We value and maintain transparent, collaborative, and good faith relationships with tax authorities, in compliance with our [Code of Conduct](#), global anti-corruption rules, and the legislation in force in the jurisdictions where we operate.

As an example, for more than a decade now, we have held regular meetings with the tax authorities in Switzerland to share information on developments in our business and operations in an open and transparent manner. Also, in Brazil, we are subject to differentiated monitoring by the Federal Revenue, on economic and tax matters. This monitoring aims to support preliminary analyses and orientates to promote tax compliance. In this context, Vale always acts in a collaborative and transparent way.

Due to our complex activities in various jurisdictions, contentious issues related to tax and royalty legislation may sometimes arise. No tax liability is ever intentionally disregarded, and we discuss tax charges considered undue. We are committed to resolving disputes in a transparent, consistent manner, and in good faith. We employ strictly legal means of defense in administrative and judicial proceedings, based on technical and legal arguments. We provide payment of tax liabilities if the company's position is not definitively confirmed by the Judiciary. We diligently seek to maintain our valid tax clearance certificates, providing all demanded guarantees, according to applicable rules.

We pay taxes, social security, and mining royalties (CFEM), in compliance with the applicable rules and existing constitutional limits, and comply with our tax obligations diligently and conservatively. Uncertain tax positions are supported by technical or legal opinions.

Controversial issues regarding tax and royalty legislation are discussed through administrative and judicial proceedings. Vale most significant disputes are also discussed by other mining sector industries.

Our main current discussions in relation to Brazilian tax matters are described in our consolidated [Financial Statements](#)⁸ and [20F report](#)⁹:

Our tax disputes are conservatively conducted, according to consistent technical and legal guidelines and we recognize provisions for probable losses, for which a reliable estimate can be made, based on reports and technical assessments and on management's assessment.

We support fair, effective, competitive, and stable tax systems. This is the reason why we continuously participate in different forums to exchange views and share our experience to promote value sharing, economic growth and taxpayer fairness in our industry. We believe that taxation should be proportionate to the value creation in a jurisdiction. Due to the extractive nature of our business, our policies and practices are premised on the principle that the majority of taxes are paid in extracting jurisdictions, as commodity extraction is by nature linked to the country where a commodity is located.

Our team of tax professionals also engages in national and international debates on tax related matters, either directly or indirectly through business associations and groups, with governments and civil society.

⁸Notes 8.d, 8.e and 28.
⁹"Tax Proceedings" Note.



Photographer: Felipe Borges

Vale is an active member of non-profit organisations and forums that foster debate on tax developments and practices; these comprise both industry and tax-specific bodies as detailed below:

Type	Organisation	Vale Role
Industry Specific	International Council on Mining and Metals (ICMM)	Council member
	Extractive Industries Transparency Initiative (EITI)	Supporting company
	Brazilian Mining Association (IBRAM)	Part of the Tax Working Group's Legal Committee
	National Confederation of Industry (CNI)	Member of its Tax and Fiscal Matters Council (CATF)
	Organisation of the Largest Energy Consuming Industries (ABRACE)	Council member
	National Association of Railway Transport (ANTF)	Member of the Tax Committee
Tax Specific	Brazilian Association of Listed Companies (ABRASCA)	Council member
	Group of Applied Tax Studies (GETAP)	Dedicated to contributing to the improvement of the Brazilian tax legislation aiming at its simplification, neutrality and legal certainty in the relationship between tax authorities and taxpayers
	Tax Citizenship Center (CCiF)	Member of the guidance Council

We are constantly monitoring global legislative and industry specific developments around tax transparency disclosure requirements. We are engaged with principles and consider guidance from global industry organizations, such as the ICMM, the EITI and the GRI 207 standard, to strength transparency and accountability in our global activities.

We are subject to EITI assessment once every three years. In its most recent assessment concluded in 2021, EITI commented on our areas of good practice and acknowledged our compliance with their expectations for supporting companies. Further information is available in the [link](#).

As part of our commitment to engage with society, our objective is to have an open dialogue with our stakeholders around the world, seeking constant input to provide the most useful information to them as we continue our transparency journey. Cooperation involves listening. We know that there will be areas for improvement, and we welcome stakeholder feedback. Please visit the [Contact Us](#) page of the Vale website to share your comments.

Intercompany transactions

Due to the nature of our business, we carry out transactions with affiliates, subsidiaries, and jointly controlled companies to integrate activities across our production and commercial operations.

Our main related party transactions are with our Swiss-based entity, *Vale International*, which manages our interface with customers, many of whom are in Europe and Asia. *Vale International* specializes in fulfilling customer requirements, managing freight between our operations and customers, managing inventories in export sales, and arranging processing operations abroad in order to find the best markets and prices for our products. This entity manages risk and uncertainty in the global market. The geographic location and time zone, mid-way between our production location(s) and our markets, enables us to best serve our customers.

Our export operations are carried out in compliance with Brazilian transfer pricing rules¹⁰, which aim to prevent the artificial shifting of profit to foreign subsidiaries. Compliance with these rules is measured using the “PECEX” methodology. Any adjustments identified under this methodology must be included for both CFEM¹¹ and Corporate Income Tax calculation purposes. The Brazilian Federal Revenue Service regularly monitors transfer prices for compliance with PECEX.

The PECEX transfer pricing methodology uses the average commodity exchange price (the “average quoted price”) as a benchmark to assess outbound transactions of commodities, for example, ores. Positive and negative adjustments may be made to create a feasible comparability between the transfer price and the average quoted price. These adjustments are related to the quality of the commodity exported and to the terms and conditions in which the exports are made, such as the freight, payment deadline, amount in negotiation, climate’s effects on the commodity exported, intermediation costs in connection with assets employed, the risks assumed, the functions performed by entities involved and handling fees.

Products originating from Canada and Indonesia – primarily from our nickel operations, as well as intercompany transactions – are priced in a manner that complies with the “arm’s length” principle which holds that transactions should be valued as if they had been carried out between unrelated parties, each acting in its own best interest. To demonstrate compliance with this principle, Vale prepares and lodges transfer pricing documentation annually according to OECD transfer pricing guidelines and relevant local requirements.

In December 2022, Brazilian Federal Revenue issued MP 1,152/2022, aligning transfer pricing rules to OECD methods. This measure is pending final approval for mandatory enter into force in 2024. Vale is currently assessing the impacts of these changes.

We comply with the OECD’s Country-by-Country Reporting (“CbCR”) requirements; in general, the CbCR document is submitted to the Brazilian tax authorities in July each year as part of our ultimate parent Company’s corporate income tax return (ECF in Portuguese). The report contains the required information by country on taxes, financial elements, employment and Vale’s functional profile.

¹⁰Law nº 9,430 / 96 and IN RFB nº. 1,312 / 12.

¹¹Financial Compensation for the Exploration of Mineral Resources.

Low-tax jurisdictions

We regularly monitor international developments to understand how individual jurisdictions are assessed against various measures of transparency and cooperation. Sources include the EU list of non-cooperative jurisdictions for tax purposes, the EU Watch List and Brazilian regulations on favorable jurisdictions¹². Brazilian authorities apply a broader definition of low-tax jurisdictions than the EU, such that Brazilian transfer pricing rules also apply to third-party transactions between Vale (and certain Brazilian affiliates) and third-party organisations located in jurisdictions defined as favorable under the Brazilian tax regulations.

We have certain operating entities, notably in Oman where we operate two iron ore pelletizing plants and

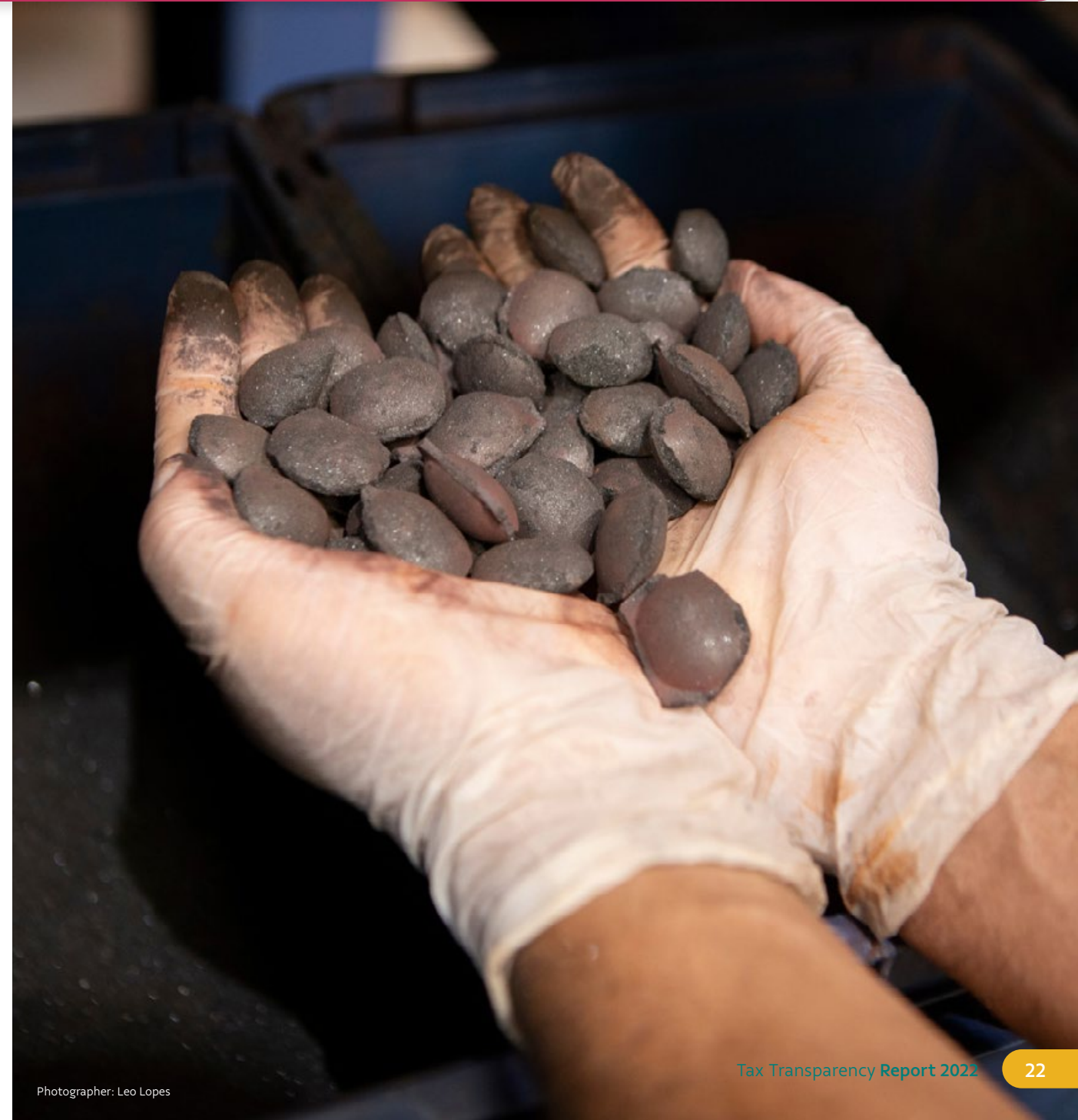
a distribution center, and in the United Kingdom¹³ where one of our nickel refineries is located, as well as Special Purpose Vehicles and holding companies located in low-tax jurisdictions, mainly for historical reasons and as a result of acquisitions. The local profit of the entities located in low-tax¹⁴ jurisdictions did not exceed US\$ 176 million in total in 2022. In all cases, the statutory profits of Vale's entities located in any jurisdiction, including low-tax, are ultimately taxed in Brazil under CFC regulations and therefore there is no income tax benefit derived from entities in those jurisdictions.

To simplify and rationalize our structure and operations, we carry out regular reviews of all entities through our Legal Entities Reduction (LER) program. Where the program identifies entities which are no longer required, we endeavor to close them. In 2022, we rationalized or reorganized 30 entities from our group structure, including 16 entities in countries which would fall within the low-tax jurisdiction definitions cited above.

¹²Normative Instruction nº 1,037 / 10 and Law nº 12,973 / 14.

¹³Unlike most other low-tax jurisdictions lists, the United Kingdom is included under the broader Brazilian list due to corporate income tax rate being lower than 20%.

¹⁴As defined by the broader Brazilian regulations.



Tax incentives

We access tax incentives in some of the jurisdictions in which we operate, which are available to all taxpayers. In some cases, tax incentives are dependent on meeting certain threshold criteria in relation to employment or economic activity in our wider supply chain. None of the regimes under which Vale has been granted incentives are noted by the OECD as being a harmful tax practice.

The total amount of incentives available for Vale in Brazil for the year 2022, were nearly US\$ 1.4 billion, where 89% corresponds to incentives related to operations in the north region of Brazil (SUDAM). To allow investments in this area, the amount obtained from such incentives cannot be distributed to shareholders.

Around 60% of our production comes from the North region. In this context, we developed actions for ecosystem protection, education, partnerships for local development and strengthening of sustainable businesses, which add to a solid work of support and production of research. These actions represented an approximate contribution of US\$ 500 million in voluntary socioenvironmental investments in the period from 2019 to 2021 alone. In 2022, Vale's total purchases from local suppliers were US\$2,2 billion.

In this region, we have a workforce of approximately 52,000 employees, of whom 16,000 are our own employees. In the last 10 years, our investments in capital projects totaled US\$ 14,7 billion.

The main incentives are detailed in the table as follow.

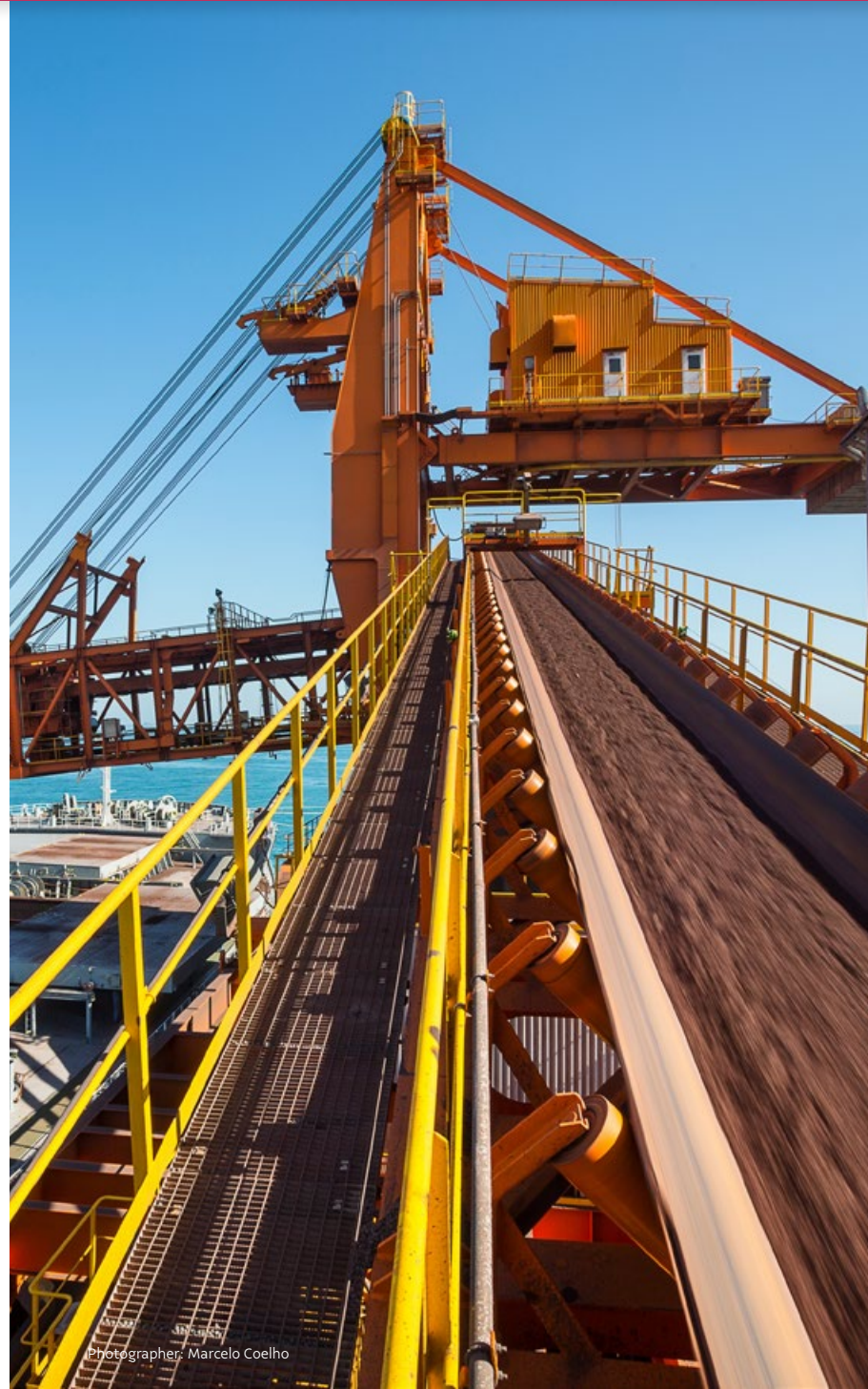
Incentive	Description	Requirements	Scope	Due date	Values in 2022 ¹⁵
Investments in Amazon Development Superintendence (SUDAM)	<p>Reduction by 75% of corporate income tax for companies with operations that have priority investments in the north of Brazil, for a 10 year period.</p> <p>Reinvestment of the corporate income tax due in projects of modernization or complementation of equipment, for operations in the north of Brazil.</p>	<p>Approval by SUDAM (responsible regulatory agency).</p> <p>Maintenance of an amount (equal to that obtained with the tax incentive) in the retained earnings reserve account which cannot be distributed as remuneration.</p>	<p>Vale: Iron ore – Serra Norte and S11D Nickel – Onça Puma Copper – Sossego</p> <p>Salobo: Copper – Marabá</p>	<p>FY 2023 – Copper (Salobo) and Nickel (Onça Puma)</p> <p>FY 2024 – Iron Ore (Carajás)</p> <p>FY 2027 – Iron Ore (S11D) and Copper (Sossego)</p>	<p>75% reduction – US\$ 1.141 million</p> <p>Reinvestment – US\$ 95 million</p>
Sponsorships and donations¹⁶	<p>Payments made to support social projects related to culture, sports, childhood and adolescence and seniors and health programs can be deducted directly from the Organisation's Corporate Income Tax bill due for the year, up to a limit that varies between 1% and 4%.</p>	<p>There are specific requirements defined by the legislation in force, such as, for example, the activity carried out and the type of donation made. If these requirements are not met, the amounts are not deductible for income tax purposes.</p>	<p>Vale S.A.</p> <p>Salobo</p> <p>Companhia Portuaria Baía de Sepetiba</p>	<p>Sports law – up to December 2027</p> <p>For the other sponsorships there is no time limit defined by regulation</p>	<p>US\$ 96 million</p>
Special Regime of Incentives for Infrastructure Development (REIDI)	<p>Suspension of PIS and COFINS related to the acquisition of goods and services both internationally and domestically that will be incorporated into the fixed asset of the beneficiary.</p>	<p>The benefit requires that purchases be related to a project in the incentivized areas previously approved by the tax authority.</p>	<p>Vale's qualified projects are:</p> <ul style="list-style-type: none"> – Carajás Railroad Expansion – Solar energy (Sol do Cerrado project) – Expansion of the maritime terminal in Ponta da Madeira 	<p>FY 2025 – Expansion of the maritime terminal in Ponta da Madeira</p> <p>FY 2026 – Carajás Railroad Expansion – Solar energy (Sol do Cerrado project)</p>	<p>US\$ 33 million</p>
Workers' Meal Program (PAT, in portuguese)	<p>Payments of amounts intended for the workers' meals, can be deducted from the Corporate Income Tax due up to the limit of 4%.</p>	<p>Entity must be registered in PAT.</p>	<p>Vale S.A.</p> <p>Salobo</p> <p>Companhia Portuaria Baía de Sepetiba</p>	<p>There is no timelimit defined by regulations</p>	<p>US\$ 13 million</p>

¹⁵Amounts may be subject to changes until Vale's tax return is submitted, which occurs in July 31st 2023.

¹⁶Please refer to Brazil section for more details on sponsorships and donations.

In addition to the Brazilian incentives listed above, Vale also accesses tax incentives in other jurisdictions where it operates.

Jurisdiction	Incentive	Description
Oman	Customs Duty	Our distribution and pelletizing activities in Oman were granted customs duty exemption on the import of raw materials and equipment; the exemption is legislated and open to all taxpayers if certain conditions are satisfied.
Malaysia	Income Tax	Our distribution center in Malaysia was granted with 100% income tax exemption on statutory income until the end of 2023 to carry out Regional Distribution activities.
	Customs Duty	Exemption regarding import duty on raw materials, machinery and equipment, until 2027 provided specific requirements are met and subject to prevailing regulations.



Photographer: Marcelo Coelho

The statutory profit of all foreign legal entities (i.e., non-Brazilian) remains fully taxable in Brazil under the CFC legislation. Under these rules, there is no overall corporate income tax reduction because of these incentives.



Photographer: Anderson Bibico

Our global tax contribution

4

Vale is a leading participant in the global mining sector and takes the payments of taxes extremely seriously. We recognize that this brings significant social and economic responsibilities in the jurisdictions where we operate. Vale strives to provide employment, strategic and sustainable development, significant community investment and to pay taxes and royalties to governments in full as required by local legislation.

This report details taxes and royalties paid in jurisdictions where Vale has a presence. It presents Vale's total contribution by project, by jurisdiction and by level of government. This report also provides further detailed information on Vale's tax contributions in the following jurisdictions where our mining operations are located:

- Brazil
- Canada
- Indonesia

We provide country-specific contribution information for the three¹⁷ jurisdictions above given they represent the overwhelming base of our global operations, the taxes we pay and the contribution we make to societies and economies.

Global Tax Contribution

In 2022, Vale paid¹⁸ US\$ 9.6 billion in taxes and royalties, of which 87% was settled in cash.

The majority of this contribution – US\$ 8.7 billion – was paid in Brazil.

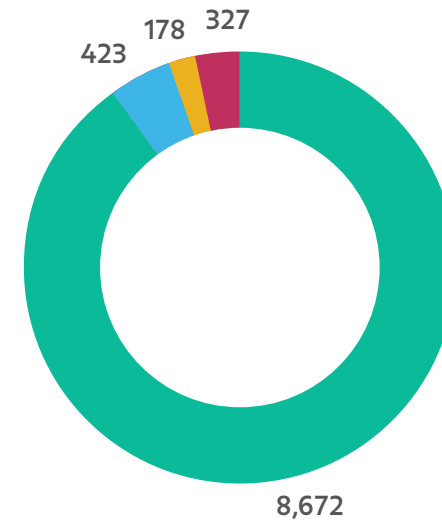


Workforce
215,347

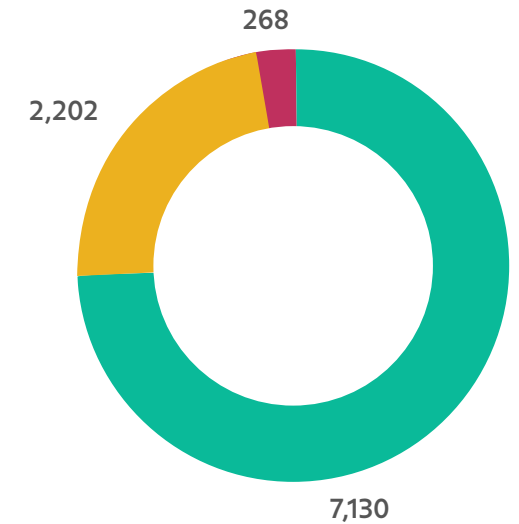
¹⁷In April 2022, we concluded the divestment of our coal assets. Mozambique is therefore no longer detailed in this chapter.

¹⁸The total includes all tax payments made during FY 2022. In a number of jurisdictions where we are present, refunds from governments are received. In 2022, such refunds amounted to US\$ 671 million, not included in the total figures reported above.

Payment by jurisdiction



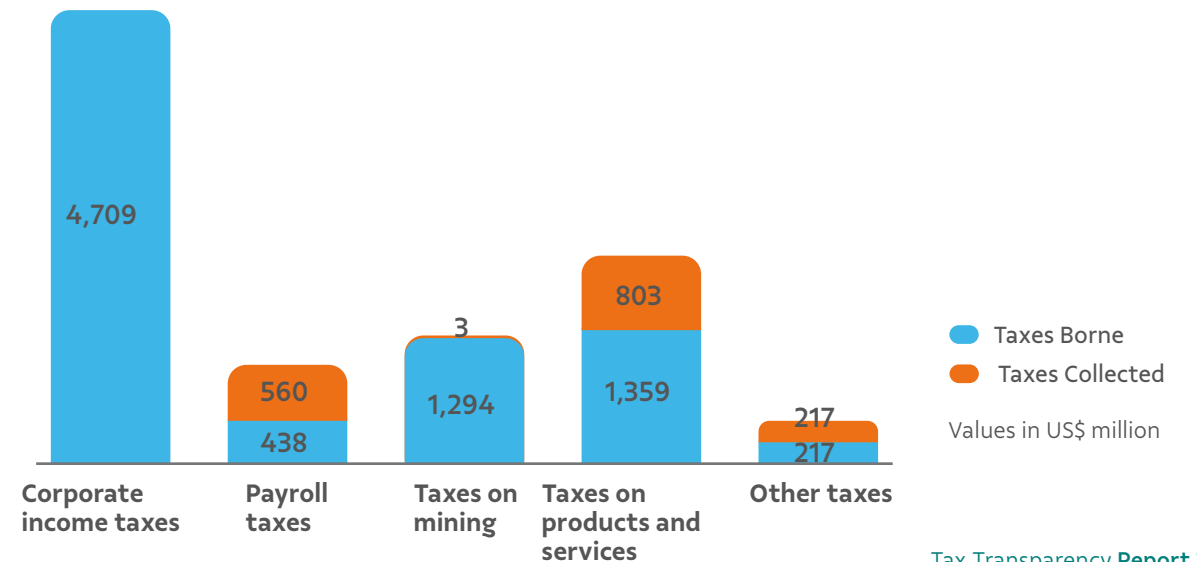
Level of government



Legend: Brazil (Teal), Canada (Light Blue), Indonesia (Yellow), Others (Pink), Federal (Teal), State (Yellow), City (Pink)

Values in US\$ million

Taxes borne/Taxes collected



Legend: Taxes Borne (Light Blue), Taxes Collected (Orange)

Values in US\$ million

Contribution in Brazil

In Brazil, Vale's primary commodities are iron ore and base metals, the latter being principally copper and nickel. Vale also extracts other raw materials, such as manganese. Vale's operations in Brazil benefit from pre-existing logistics infrastructure, which was originally built to transport iron ore. Vale works closely with public and private sector partners to invest in technology and infrastructure to continuously improve the efficiency and sustainability of its operations, from extraction to delivery to customers.

Our iron ore mines are in Brazil, all of which are open pit, and their related operations are mainly concentrated in three systems: the Southeastern, Southern and Northern Systems, each with its own transportation and shipping capabilities.

- The Northern System, located in Carajás, State of Pará, is a fully integrated system, consisting of three mining complexes, a railroad and one maritime terminal.
- The Southeastern System, located in Iron Quadrangle, State of Minas Gerais, is also a fully integrated system, consisting of three mine complexes, a railroad, a maritime terminal and a port.

- The Southern System, also located in Iron Quadrangle, State of Minas Gerais, consists of two mining complexes and two maritime terminals.

Concerning iron ore pellets, we currently have operations in eight pellet plants in Brazil.

We also have nickel operations at Onça Puma, located in the Brazilian state of Pará. Furthermore, we produce copper concentrates at our Sossego and Salobo operations, in Carajás, also in the state of Pará.

In 2022, we paid US\$ 8.7 billion (R\$ 45 billion) in taxes in Brazil. Approximately 13% of the total was paid through available tax credits.¹⁹

Our workforce number is nearly 190,000 in Brazil – about 90% of our total workforce – a clear demonstration that we continue to generate employment and social transformation as part of our direct contribution to the Brazilian economy.

In 2022, Vale also celebrated 40 years of collaboration with the Xikrin do Cateté Indigenous People. We concluded an agreement which led, through trust and dialogue, to a new chapter of this relationship. This action is part of the goal of contributing to the indigenous communities neighboring our business in the pursuit of their rights, and is linked to our Social Ambition, launched at the end of 2021 and formalized in 2022. This Social Ambition includes the goal of contributing to lifting 500,000 people out of extreme poverty by 2030. To meet this long-term goal,

we developed a methodology based on the familial unit (instead of individuals), with a special focus on children.

Additionally, we are engaged in various projects and initiatives beyond the traditional mining value chain in Brazil. The Sol do Cerrado project, explained earlier in this report, is a good example. Local residents were trained and employed to work on the site as builders, mechanics and industrial/electric installation professionals with around 3,000 jobs generated during peak activity and almost 50% of workers hired locally. In addition, around a quarter of the project's suppliers are from the region.

Guided by a broad vision of sustainability, Vale further invests in initiatives that aim to deliver a positive legacy in the areas of culture, defense of the rights of the elderly, children and adolescents, health, and sports. Through federal incentive laws, Vale supports initiatives that strengthen public policies, delivering on its commitment to make a positive contribution to society.

In 2022, Vale's sponsorship of social initiatives²⁰ totaled US\$ 96.4 million (R\$ 495 million), as detailed as follow.

Since 2018, Vale has been ranked the largest sponsor of social and sporting initiatives in Brazil.

Vale's total donations



Cultural projects
US\$ 55.1 million
178 projects



Sports law
US\$ 13.8 million
86 projects



Senior citizen fund
US\$ 13.8 million
56 funds benefited



Fund for Childhood and Adolescence
US\$ 13.7 million
32 funds benefited

¹⁹Brazilian legislation allows the offset of federal taxes or contributions with other federal credits to companies that follow a process set out by the Brazilian Federal Revenue (RFB) Service called PER/DCOMP.

The main credits used by Vale are:

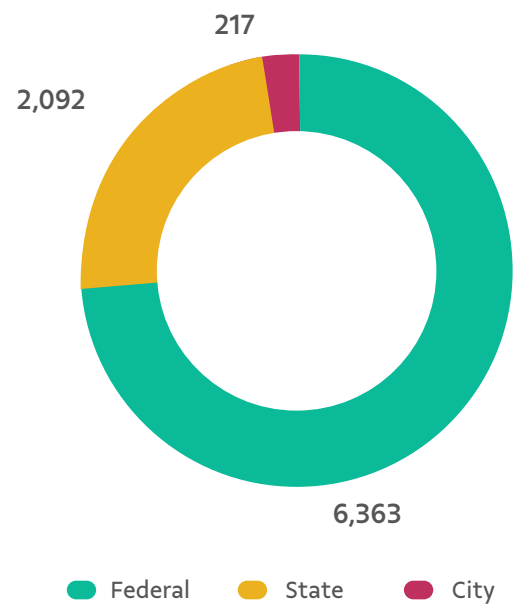
- Overpayment of federal taxes and/or contributions.
- Social integration plan ("PIS") and social welfare ("COFINS") taxes.
- Negative balances of Corporate Income Tax ("IRPJ") and Social Contribution ("CSLL").

²⁰Social initiatives provided by different Federal Incentive Laws.



 Workforce
189,808

Level of government



Values in US\$ million



²¹The majority of these payments – US\$ 193 million – are a result of withholding income tax over interest on shareholders' equity, and debentures distributions made by Vale in 2022. More details on the interest on shareholders' equity and debentures can be found in Vale's 20F report.
²²About 59% (US\$ - 1,092 million) was paid in cash, with the balance settled through credits. Tax on products and services are paid at the city and state level. For more details on payments by state please refer to our section "[Breakdown by project, jurisdiction and level of government](#)"

Photographer: Isaque Junior

Taxes on mining

In Brazil, mining companies are subject to specific taxes, royalties and other levies in relation to their exploitation of national mineral resources. Furthermore, some states have enacted specific charges for mining and related activities. Payments include:

- Financial Compensation for the Exploration of Mineral Resources ("CFEM" in Portuguese). This form of royalty is calculated using the value derived from the mining activity. Rates vary from 1% to 3.5% and payments are made to the National Mining Agency, which is responsible for distributing proceeds to states and municipalities, according to where the mining activity occurs. Due to constitutional requirements, not all of which are adequately reflected in infraconstitutional laws, the compensation must be calculated over: (i) net revenues, when mineral resources are subject to third-party sale; (ii) costs of mining, when mineral resources are subject to internal consumption; and (iii) net revenues according to transfer pricing rules (PECEX), when mineral resources are subjected to intra-group international sales. Vale strictly follows all constitutional rules regarding the matter.
- State and municipal taxes on mineral activities (Taxa de Fiscalização de Recursos Minerais - "TFRM" in Portuguese). Several Brazilian states²³ and

municipalities²⁴ impose TFRM which is currently assessed, on a monthly basis, from R\$ 4.37 to R\$ 13.12 per metric ton²⁵ of minerals produced in or transferred from the state.

In November 2022, we adhered to the state tax program entitled as "Programa Estrutura Pará", which aims to promote infrastructure investments in the state of Pará, pursuant to the conversion of 50% (fifty percent) of TFRM payments into construction projects. The related constructions will be delivered to the local communities and, therefore, will not be owned by the Company. For joining the program, we have disbursed R\$ 1,176 MM related to TFRM in 2022, which was calculated based on the amount of R\$ 13.12 per metric ton of ore produced and we will prospectively adopt this rate in the state of Pará.

For mining taxes in Brazil, we paid an average tax rate on revenue of 5.28%. In 2022, this equated to US\$ 1,246 million paid to the Brazilian tax authorities. See additional details in the table.

Taxes on mining – Commodities

Commodities	CFEM	TFRM	Total	Effective tax rate
Iron ore	771	434	1,205	5.54%
Copper	36	1	37	2.09%
Others	1	3	4	6.28%
Total	808	438	1,246	5.28%

Values in US\$ million

²³Minas Gerais, Pará and Maranhão. Regarding TFRM imposed by State of Maranhão, we consider that there are solid arguments to contest the related collection.

²⁴Ourilândia do Norte, Marabá, Curionópolis, São Félix do Xingu and Rio Piracicaba. We consider that there are solid arguments to contest TFRM imposed by municipalities.

²⁵Except for TFRM imposed by Rio Piracicaba, which annually vary from R\$ 4.470 to R\$ 111.750 per hectare area of mineral production or research referred to this municipality.

Contribution in Canada

In Canada, Vale produces high quality, low carbon base metal products. We are the country's largest producer of nickel which is one of the most versatile metals in existence known for its use in specialized applications such as batteries and metal coatings. We also produce copper, cobalt, platinum group metals and precious metals. Vale has three separate operations in Canada: five mines and fully-integrated processing facilities in Ontario; a mine and mill in Manitoba; and mine, mill and processing facilities in Newfoundland and Labrador.

We recently signed a power purchase agreement (PPA) with Indigenous partners to provide wind power to our Voisey's Bay operations, thus partially replacing diesel oil consumption with renewable electricity. Commercial operation of the wind project is planned for 2026 and we are aiming to reduce emissions by the equivalent of 16% of the emissions from Voisey's Bay operations.

In 2022, Vale's workforce in Canada was over 11,000 people. The bulk of employees resides in the various rural communities where our mining and processing

operations are located. In Canada, Vale adheres to the goals and objectives of both the ICMM as well as the Towards Sustainable Mining Initiative ("TSM") of the Mining Association of Canada. Vale's environmental work includes reforestation and land reclamation, as well as efforts to reduce carbon and greenhouse gas emissions, across our Canadian operations. More than 10 years of greening surrounding the Sudbury Basin is beginning to show results.

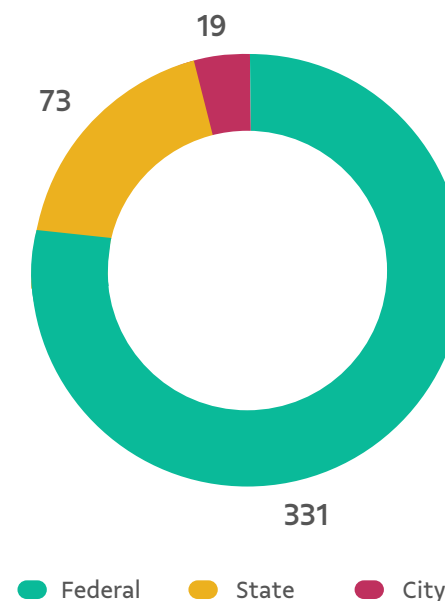
The Canadian provinces in which we operate charge us a tax on profits from mining operations. The statutory mining tax rates are 10% in Ontario; with graduated rates up to 17% in Manitoba; and a combined mining and royalty tax rate of 16% in Newfoundland and Labrador. The mining tax paid is deductible for corporate income tax purposes.

In the 2022 fiscal year, we paid US\$ 423 million in corporate income tax, mining taxes, payroll taxes, taxes on products and services and other taxes. In Canada the reduced corporate income taxes are due to significant capital investment in our operations as well as tax depreciation incentivized scheme. We typically receive tax reimbursements on indirect taxes on products and services in Canada, which in 2022 contributed to a reimbursement of US\$ 398 million²⁶. This is because we pay value added taxes on purchases from our suppliers in Canada, while the goods that we export from Canada are subject to a zero-rated value-added tax. Therefore, Vale fully recovers value added tax paid on purchases.



 Workforce
11,194

Level of government



Values in US\$ million

²⁶Total of reimbursements in Canada with the inclusion of corporate income taxes corresponds to US\$ 401 million.

Contribution in Indonesia

In Indonesia, Vale produces 75,000 tons of nickel-in-matte per year, supplying 5% of the world's nickel demand. Vale signed a Contract of Work with the Government of Indonesia in 1968 to explore, mine and process nickel ore, and has been contributing to the economy there ever since.

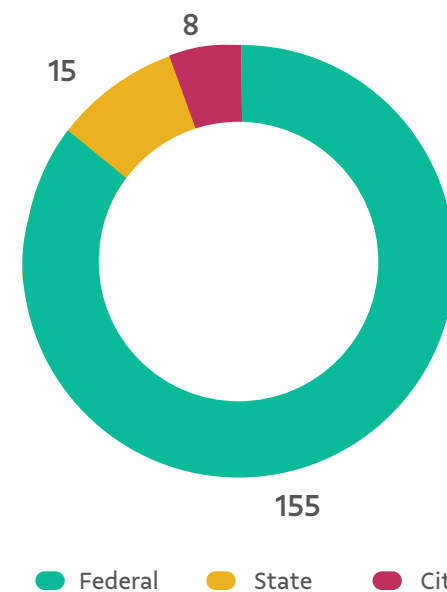
Through our operations in Indonesia, we employ more than 10,000 people. In 2022, we paid US\$ 178 million in taxes across corporate income taxes, mining taxes, payroll taxes, taxes on products and services and other taxes. Our nickel matte revenues are subject to mining royalties. The rate for such operations varies according to the London Metal Exchange's nickel prices and may range from 2% to 3%.

Vale also undertakes significant environmental programs in Indonesia, including reforestation efforts and a revegetation program to provide the opportunity to reintroduce native plant species. Vale's Indonesian operations are investing in initiatives to reduce greenhouse gas emissions and working to align with the policies and frameworks of ICMM.



 Workforce **10,301**

Level of government



Values in US\$ million



Photographer: Marcelo Coelho



Photographer: Felipe Borges

Breakdown by project, jurisdiction
and level of government

5

Vale is subject to taxation in the many jurisdictions in which it operates. The tax legislation of these jurisdictions may differ; nevertheless our approach to tax applies equally to all operations worldwide.

The tables that follow details taxes and royalties paid where Vale has a presence, according to the level of government. Within each jurisdiction, total tax payments are reported by the national (“federal”), regional (“state”) or local (“city”) government to which they were paid. We are also providing a breakdown by state level, which we believe gives a clear view of our contributions across each jurisdiction.

The figures and analysis by jurisdiction and level of government in the tables below have been assessed in accordance with the basis of preparation detailed in [Appendix 1](#).

We hope this information will add greater insight and understanding of our business and operations.



Payments by project – Taxes borne and collected – Values US\$ thousand

Country	Corporate income taxes	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes	
Africa		6,813		11,707	7,394	12,326	38,240
Coal		3,612			7,394	11,756	22,762
Corporate						1	1
Logistics		3,201		11,707		569	15,477
Asia	87,662	29,475		33,583	73,031	47,206	270,957
Corporate	8,190	12,141		8,949		7,614	36,894
Distribution Center	452	4,421		261		625	5,759
Logistics				4			4
Nickel	76,801	10,068		63,817		38,451	222,720
Nickel refinery	2,219	2,845	33,583			516	5,580
Europe	35,143	10,002		100,814	612	146,571	
Corporate	34,031	4,613		641		298	39,583
Nickel refinery	1,112	5,389		100,173		314	106,988
Middle East	12,072	3,169		1,320	232	16,793	
Logistics	4,109	842		147		8	5,106
Pelletizing	7,963	2,327		1,173		224	11,687
North America	18,988	269,210	3,662	127,399	29,200	448,459	
Corporate	18,988	18,072		6,342		8,000	51,402
Nickel		251,138	3,662	121,057		21,200	397,057
Oceania		1,267		677		1,944	
Coal		1,267		677			1,944
South America	4,554,670	677,916	1,248,621	1,851,092	344,890	8,677,189	
Copper			37,532	65,503		122	103,157
Corporate	4,554,670	677,157	69,233	898,033		341,993	6,541,086
Energy				15,572		1	15,573
Iron				1,137,997		1,837	1,911,758
Logistics		759		87,812		227	88,798
Manganese			174	725		338	1,237
Nickel			3,685	11,523		372	15,580
Total	4,708,535	997,852	1,297,573	2,161,727	434,466	9,600,153	

Payments by jurisdiction – Taxes borne – Values US\$ thousand

Country	Corporate income taxes	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Argentina						2
Federal						1
Buenos Aires						1
State						1
Australia		1,267				1,267
Federal		1,156				1,156
Queensland		24				24
State		24				24
Victoria		2				2
State		2				2
Western Australia		85				85
State		85				85
Brazil	4,554,670	373,070	1,245,927	1,314,002	151,937	7,639,606
Federal	4,554,670	373,070		459,373	141,824	5,528,937
Alagoas				7		7
State				7		7
Amazonas				64		64
State				64		64
Bahia				672	53	725
State				672		672
City					53	53
Ceará				32		32
State				32		32
Espírito Santo				210,843	3,476	214,319
State				208,225	2	208,227
City				2,618	3,474	6,092
Goiás				35		35
State				35		35

Payments by jurisdiction – Taxes borne – Values US\$ thousand

Country	Corporate income taxes	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Maranhão				55,164	617	55,781
State				54,487		54,487
City				677	617	1,294
Mato Grosso				7		7
State				7		7
Mato Grosso do Sul			7,031	10,105	9	17,145
State			7,031 ²⁷	10,101		17,132
City				4	9	13
Minas Gerais			330,473	289,910	3,098	623,481
State			330,473 ²⁷	289,711		620,184
City				199	3,098	3,297
Pará			908,423	277,464	1,844	1,187,731
State			908,423 ²⁷	277,464		1,185,887
City					1,844	1,844
Paraíba				13		13
State				13		13
Paraná				5	11	16
State				5		5
City					11	11
Pernambuco				22		22
State				22		22
Rio de Janeiro				9,692	794	10,486
State				3,290		3,290
City				6,402	794	7,196
Rio Grande do Sul				8		8
State				8		8
Rondônia				2		2
State				2		2

²⁷Includes the CFEM payment that is made to the National Mining Agency, resulting from mining operations.

Payments by jurisdiction – Taxes borne – Values US\$ thousand

Country	Corporate income taxes	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Santa Catarina				10		10
State				10		10
São Paulo				390	211	601
State				390		390
City					211	211
Sergipe				181		181
State				181		181
Tocantins				3		3
State				3		3
Canada	495	50,449		411		19,438
Federal	495	24,982			4,984	30,461
Manitoba		1,482		3,993		1,097
State		1,482		3,993		1,097
Newfoundland and Labrador		2,698		411		2,688
State		2,698		411		442
City					2,246	2,246
Ontario		21,287		1,342		16,914
State		21,287		1,342		346
City					16,568	16,568
Quebec				6,128		6,128
State				6,128		6,128
Saskatchewan						3
City					3	3
Chile		26		590		53
Federal		26		590		53
China	2,021	2,399				1,620
Federal	2,021	2,381				1,463

Payments by jurisdiction – Taxes borne – Values US\$ thousand

Country	Corporate income taxes	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Liaoning			18		157	175
State			18		106	124
City					51	51
India					45	45
Federal					45	45
Indonesia	76,801		33,583	15,405	31,014	156,803
Federal	76,801		32,013	15,405	13,309	137,528
Sulawesi Selatan			1,570		17,705	19,275
State					8,391	8,391
City			1,570		9,314	10,884
Japan	2,287	841			251	3,379
Federal	1,667	533			8	2,208
Mie	620	308			243	1,171
State	509					509
City	111	308			243	662
Luxembourg					13	13
Federal					13	13
Malaysia	452	2,022		261	511	3,246
Federal	452	2,022		261		2,735
Manjung					511	511
State					511	511
Malta	104					104
Federal	104					104
Mozambique		268	11,707	7,394	10,312	29,681
Federal				7,394	9,777	17,171
Maputo			11,707		61	11,768
State					61	61
City			11,707			11,707

Payments by jurisdiction – Taxes borne – Values US\$ thousand

Country	Corporate income taxes	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Nampula			268			304
State					36	36
City		268				268
Tete					438	438
State					438	438
Netherlands	820	469				1,289
Federal	820	469				1,289
Oman	12,072	2,161		1,311	74	15,618
Federal	12,072	2,161		1,311	74	15,618
Paraguay		453		26	6	485
Federal		453		26		479
Asunción					6	6
City					6	6
Peru		151	2,104	92	19	2,366
Federal		151	2,104	92	19	2,366
Singapore	6,101	899		4		7,004
Federal	6,101	899		4		7,004
Switzerland	33,108	1,217			282	34,607
Federal	11,740	1,217			226	13,183
Vaud	21,368				56	21,424
State	21,368					21,368
City					56	56
Taiwan		20			5	25
Federal		20			5	25
United Arab Emirates				9		9
Federal				9		9
United Kingdom	1,111	1,747		231	314	3,403
Federal	1,111	1,747		231		3,089

Payments by jurisdiction – Taxes borne – Values US\$ thousand

Country	Corporate income taxes	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Swansea						314
City						314
United States	18,493	113		262	65	18,933
Federal	17,489	104		262		17,855
California	2					2
State	2					2
Connecticut	10				62	72
State	10				62	72
Florida					3	3
City					3	3
Kentucky	16					16
State	16					16
Michigan	307					307
State	307					307
New Jersey	114	8				122
State	114	8				122
Ohio	200					200
State	200					200
Pennsylvania	346	1				347
State	346	1				347
Texas	9					9
State	9					9
Uruguay		11			72	83
Federal		11			72	83
Total	4,708,535	437,583	1,294,322	1,358,488	217,255	8,016,183

Note: In 2022, Vale received US\$ 22 million in tax refunds, not included in the figures presented above.

Payments by jurisdiction – Taxes collected – Values US\$ thousand

Country	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Argentina					10
Federal				10	10
Australia			677		677
Federal			677		677
Brazil	302,981		536,599	192,708	1,032,288
Federal	302,981		338,530	192,708	834,219
Bahia			384		384
State			83		83
City			301		301
Distrito Federal			14		14
City			14		14
Espírito Santo			13,677		13,677
State			556		556
City			13,121		13,121
Goiás			63		63
City			63		63
Maranhão			20,744		20,744
City			20,744		20,744
Mato Grosso do Sul			1,016		1,016
City			1,016		1,016
Minas Gerais			82,131		82,131
City			82,131		82,131
Pará			75,741		75,741
City			75,741		75,741
Paraná			1		1
City			1		1
Rio de Janeiro			3,829		3,829
City			3,829		3,829

Payments by jurisdiction – Taxes collected – Values US\$ thousand

Country	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
São Paulo				469	469
City				469	469
Canada	217,726	3,251	107,699	2,913	331,589
Federal	217,726		80,491	2,913	301,130
Newfoundland and Labrador		3,251			3,251
State		3,251			3,251
Quebec			27,208		27,208
State			27,208		27,208
Chile	270			22	292
Federal	270			22	292
China	6,385		7,322	4,595	18,302
Federal	5,582		7,322	4,594	17,498
Liaoning	803			1	804
State	731			1	732
City	72				72
Colombia				3	3
Federal				3	3
India	37			8	45
Federal	37			8	45
Indonesia	11,252		1,258	8,941	21,451
Federal	10,069			7,437	17,506
DKI Jakarta	922		1,258	304	2,484
City	922		1,258	304	2,484
Nusa Tenggara Barat	261			1,200	1,461
City	261			1,200	1,461

Payments by jurisdiction – Taxes collected – Values US\$ thousand

Country	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Japan	1,522		48,522	101	50,145
Federal	1,029		48,508	101	49,638
Chiba	3		1		4
City	3		1		4
Kanagawa	2				2
City	2				2
Mie	440				440
City	440				440
Tokyo	48		13		61
City	48		13		61
Malaysia	2,399			114	2,513
Federal	2,399			114	2,513
Mauritius				1	1
Federal				1	1
Mozambique	6,545			2,013	8,558
Federal				1,444	1,444
Maputo	1,031				1,031
State	1,031				1,031
Nampula	2,960			569	3,529
State	27				27
City	2,933			569	3,502
Tete	2,554				2,554
State	2,554				2,554
Netherlands	639				639
Federal	639				639
Oman	1,008			158	1,166
Federal	1,008			158	1,166

Payments by jurisdiction – Taxes collected – Values US\$ thousand

Country	Payroll taxes	Taxes on mining	Taxes on products and services	Other taxes	Total Taxes
Paraguay	247		26	80	353
Federal	247		26	80	353
Peru	660		294	20	974
Federal	660		294	20	974
Singapore	1,688		259		1,947
Federal	1,688		259		1,947
Switzerland	2,288		641	3	2,932
Federal	1,217		641	3	1,861
Vaud	1,071				1,071
State	1,071				1,071
Taiwan	11			1	12
Federal	11			1	12
United Kingdom	3,642		99,942		103,584
Federal	3,642		99,942		103,584
United States	922			5,520	6,442
Federal	723			5,520	6,243
New Jersey	166				166
State	166				166
New York	33				33
State	33				33
Uruguay	47				47
Federal	47				47
Total	560,269	3,251	803,239	217,211	1,583,970

Note: The amount of refunds not borne by Vale represent US\$ 649 million and relate to sales taxes, VAT, GST, excise duties, fuel credits and withholding taxes on supplier invoices. These tax refunds are not included in the figures presented above.



Photographer: Ricardo Teles

Corporate income taxes and our financial statements

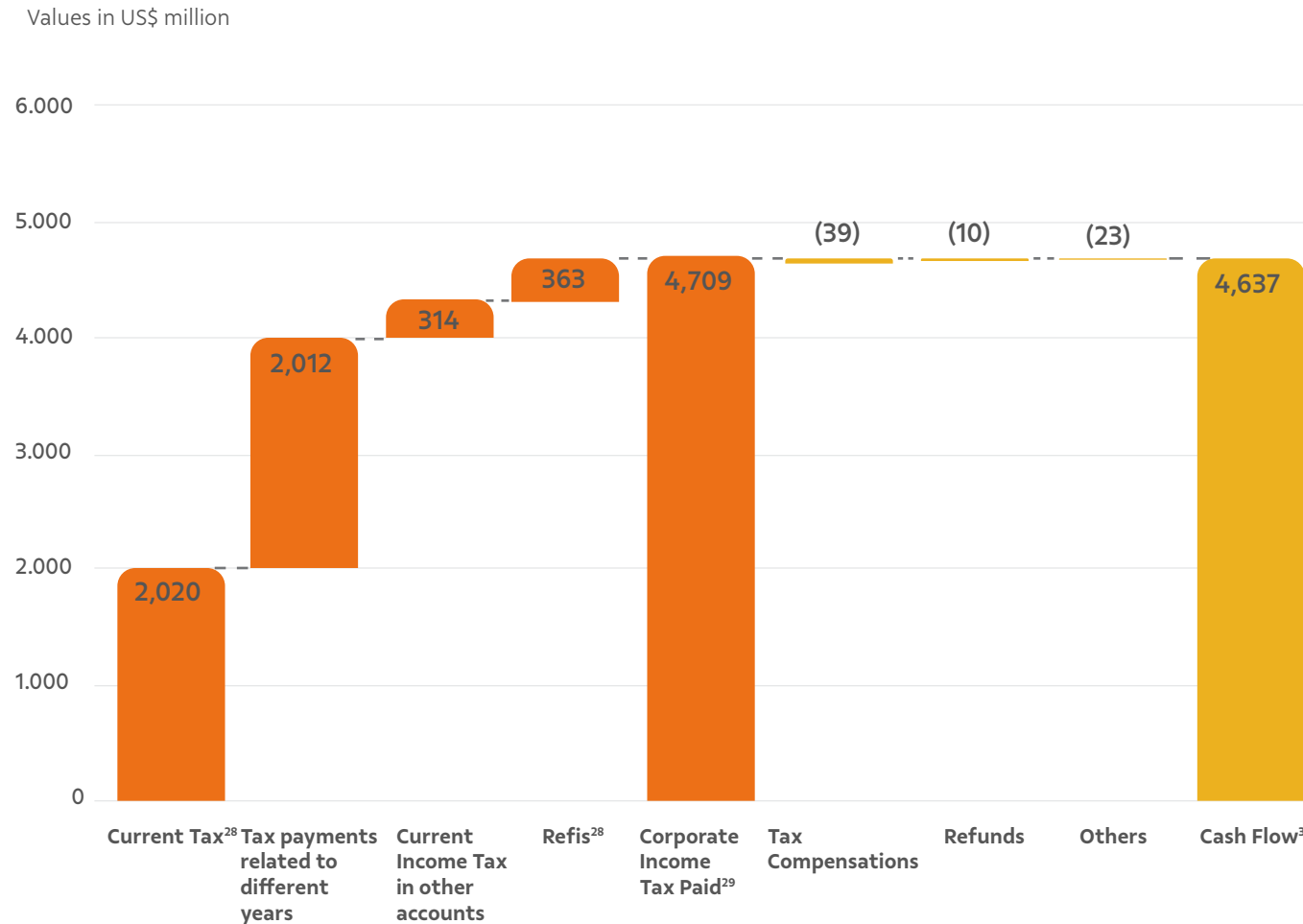
6

Corporate Income Taxes and our Financial Statements

The income tax expense recorded in our Financial Statements reflects the impact on our economic position at year-end according to Vale's results. It is intended to provide an indication of the amount of tax we expect to pay for the activities performed during that year, so that it is possible to assess the impact that income tax may have on our financial position.

In this report, we present the income tax paid during the year on a cash basis, which generally does not correspond to the income tax expense amount disclosed in the Financial Statements for various reasons, as shown in the chart. As an example, income tax paid during this financial year may include payments relating to activities in a previous financial year, but may exclude final payments relating to activities in this financial year, which may occur after the end of the financial year.

Reconciliation of Corporate Income Tax and Cash Flow



Effective Tax Rate

Brazilian corporate tax law requires taxation on income on a worldwide basis (including profits generated from foreign subsidiaries under CFC rules) and, therefore, Vale's income tax charge is calculated using the statutory tax rate in Brazil at the end of the reporting period. The income tax liability shown in our consolidated financial statements is calculated by applying the difference between the Brazilian income tax rate and the local income tax rate of each jurisdiction where our subsidiaries operate and generate taxable income.

In our consolidated financial statements, we recorded an income tax net expense of US\$ 2,971 million, compared to an income tax net expense of US\$ 4,697 million in 2021. Our effective tax rate differed from our statutory tax rate of 34%, principally due to tax incentives³¹ resulting from our iron ore, copper and nickel operations in the North and Northeast regions of Brazil (impact of US\$1,247 million), resulting in an effective tax rate of 15%. The reconciliation from the statutory tax rate to our effective tax rate is presented in Note 8 of our consolidated [financial statements](#).

Additionally, if we exclude the exceptional items: (i) addition of tax loss carryforward (impact of US\$ 899 million), and (ii) effect of the reclassification of cumulative adjustments to the income statement (impact of US\$ 547 million), our adjusted effective tax rate was 22%.

²⁸According Vale's Financial Statement.

²⁹As per this tax transparency report.

³⁰According Vale's cash flow on Financial Statement.

³¹For more details on our tax incentives please refer to our "Tax Incentives" section in this report.



Independent auditor's report

To the Board of Directors and Shareholders
Vale S.A.
Rio de Janeiro - RJ

Opinion

We have audited the accompanying Selected Information, which comprises the amounts in the tables entitled "Payments by jurisdiction - Taxes borne" and "Payments by jurisdiction - Taxes collected", included in the section "Breakdown by project, jurisdiction and level of government" of the Tax Transparency Report (the "Report") of Vale S.A. and its subsidiaries (the "Company") for the year ended December 31, 2022.

In our opinion, the Selected Information referred to above has been properly prepared, in all material respects, in accordance with the basis of preparation in Appendix 1 to the Report.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Selected Information included within the Report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and in the Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter - basis of preparation of the selected information to the report

We draw attention to Appendix 1 to the Report, which describes the basis of preparation of the Selected Information. The Report is prepared in accordance with a special purpose framework for providing reasonable assurance over total taxes paid by the Company in 2022. As a result, the Report may not be suitable for another purpose.

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Vale S.A.

The Report does not comprise a full set of financial statements, prepared in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Our opinion is not qualified in respect of this matter.

Responsibilities of management and those charged with governance for the Selected Information to the Report

Management is responsible for the preparation of the Selected Information in accordance with the basis of preparation in Appendix 1 to the Report and for determining that the basis of preparation is acceptable in the circumstances. Management is also responsible for such internal control as they determine is necessary to enable the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's responsibilities for the Selected Information to the Report

Our objectives are to obtain reasonable assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Selected Information.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Selected Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.




Vale S.A.

- . Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- . Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- . Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures of the Selected Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance, in connection with the audit of the financial statements of the Company as at and for the year ended December 31, 2022, with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rio de Janeiro, June 22, 2023


PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

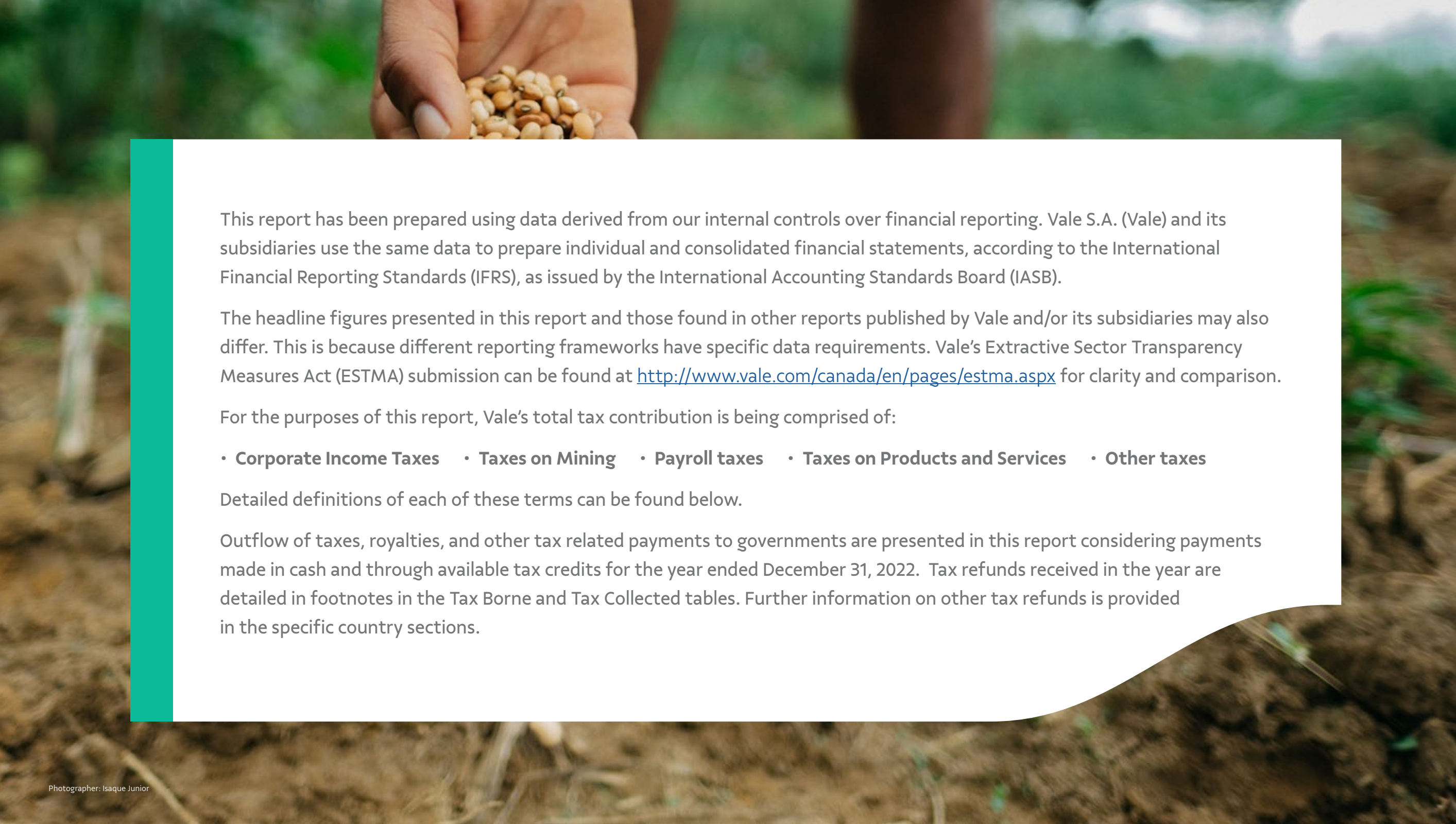
Patricio Marques Roche
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Photographer: Isaque Junior

Appendix

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This report has been prepared using data derived from our internal controls over financial reporting. Vale S.A. (Vale) and its subsidiaries use the same data to prepare individual and consolidated financial statements, according to the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The headline figures presented in this report and those found in other reports published by Vale and/or its subsidiaries may also differ. This is because different reporting frameworks have specific data requirements. Vale's Extractive Sector Transparency Measures Act (ESTMA) submission can be found at <http://www.vale.com/canada/en/pages/estma.aspx> for clarity and comparison.

For the purposes of this report, Vale's total tax contribution is being comprised of:

- **Corporate Income Taxes**
- **Taxes on Mining**
- **Payroll taxes**
- **Taxes on Products and Services**
- **Other taxes**

Detailed definitions of each of these terms can be found below.

Outflow of taxes, royalties, and other tax related payments to governments are presented in this report considering payments made in cash and through available tax credits for the year ended December 31, 2022. Tax refunds received in the year are detailed in footnotes in the Tax Borne and Tax Collected tables. Further information on other tax refunds is provided in the specific country sections.

Appendix 1 – Basis of preparation

Functional and reporting currency

All our data about our subsidiaries are measured using the currency of the primary economic environment in which the entity operates (“functional currency”), which in the case of the Parent Company is the Brazilian real (“R\$”). For presentation purposes, this report is presented in United States dollar (“US\$”) we believe this is how international investors analyze company’s financial information. All payments included in this report expressed in currencies other than US\$ were translated for this Report at the exchange rate on the month each payment was made.

Basis of consolidation

This follows the same principles as the consolidated financial statements. All majority-owned subsidiaries in which we have both a share and management control are consolidated. Our variable interest entities in which we are the primary beneficiary are consolidated.

For the purpose of this report, only entities with tax payments were considered, which can be found in [Appendix 4](#).

Taxes borne

Taxes borne are those that companies are required to pay to the government or a third party on its own behalf. Tax refunds are informed in a footnote. Taxes we have included in this category are:

Corporate income taxes

This comprises any tax on the business calculated on the basis of its profits, income or capital gains. Typically, these taxes would be reflected in corporate income tax returns made to governments, and tend to become payable, and are paid, either in the year the profits were made or up to one year later, depending on the local tax rules regarding timing of payments. The amounts include any payments on account, balancing payments, offsetting tax credits (e.g., PIS, COFINS) and settlements in relation to disputes. Where there is separate capital gains tax (e.g., on property, leases or

shares), this should also be included within this amount. The total is the final amount payable, net of any double tax reliefs, losses brought forward etc. Withholding taxes on payments to overseas companies are included here, as they represent a burden to Vale.

Tax charged on payments of dividends or other distributions of profits are also included as corporate income tax. Typically, this tax is reflected in income tax returns made to governments and tends to become payable, and is paid, at the point of a distribution of profits from one territory to another rather than in the year the profits actually arise. Taxes are withheld on payments to overseas companies. This includes taxes that are withheld at source or deducted from payments made to non-resident Vale companies and some resident Vale companies. Typically, this tax includes intercompany royalties, dividends and interest on overseas transactions.

Taxes on mining

This involves payments related to mineral activities within the jurisdictions, and can be split into three categories:

1. Taxes on minerals and metals extractions: This comprises taxes that are specific to the mining sector, and effectively represent payments to governments for extracting natural resources. This could include amounts related to aggregate use.

2. License fees: These are fees paid in return for the permission to exploit a certain resource or area in the jurisdiction.

3. Royalties: This comprises payments made to governments for activities such as the extraction of minerals or metals. Typically, these taxes tend to become payable, and are paid, in the year in which the activities occurred.

Payroll taxes

This comprises both (i) employer social contributions and (ii) payroll and other taxes on employees.

Employer social contributions comprise contributions paid by the

employer, towards the cost of certain state benefits in support of its employees. It can be a contributory system of insurance against illness and unemployment, and also provides retirement pensions and other benefits. Includes all types and classes payable, including those for overseas staff.

Payroll and other taxes on employees comprise payroll and employer taxes payable as a result of a company’s capacity as an employer. Typically, these taxes would be reflected in payroll tax returns made to governments and tend to be payable, and are paid, on a regular basis (often monthly) throughout the year, shortly after the return is submitted.

Taxes on products and services

• Customs duties and taxes on international transactions: This comprises all non-recoverable customs/ excise/ import/ export duties. Typically, these taxes tend to become payable, and are paid, to governments at the point where goods are imported and exported from territories and move across country borders.

• Indirect taxes on the production or sales of goods and services

• This comprises sales tax, VAT and other taxes that arise on production or sale. Typically, these taxes would form part of a sales tax return made to governments and tend to become payable, and are paid, regularly (often monthly) throughout the year.

• Revenue based indirect taxes: This comprises any indirect taxes self-calculated and paid to the government on revenue or turnover (for example, PIS/COFINS in Brazil).

Other taxes

Comprises:

• **Other fees:** These are other miscellaneous payments to the government, which do not fall under a specific category such as fees, tax on vehicles and real properties

• **Discretionary contributions:** Discretionary contributions include

non-statutory payments to governments, such as contributing to investment, infrastructure or charities.

• **Mandatory contributions:** Mandatory contributions include penalties and fines which need to be paid to the government, and interest included within finance or administration expenses.

• **Grants and subsidies received:** A subsidy is a benefit given by the government to companies in the form of a cash payment or tax reduction, generally to help an industry or company. A grant is a financial award given by the federal, state or local government to an eligible grantee. Government grants are not expected to be repaid and do not include technical assistance or other financial assistance such as loans. This will appear as a negative number in taxes borne, as it is a payment received from the government.

Taxes collected

These are taxes that we administer on behalf of the government and collect from others. Typically, these taxes would form part of a return made to a government and are payable and paid, regularly (often monthly) throughout the year, shortly after returns are submitted.

Payroll taxes

Comprises:

• **Employee social contributions:** Paid by workers and employers towards the cost of certain state benefits. It can be a contributory system of insurance against illness and unemployment, and also includes retirement pensions and other benefits. This should include all types and classes payable, including those for overseas staff.

• **Employee income tax deducted through payroll:** Comprises payroll and employee taxes withheld from employee remuneration, and paid to governments, i.e., tax collected by Vale and remitted to governments on behalf of employees.

Taxes on product and service

This includes VAT/GST or equivalent net paid/ amounts to and from the government. Typically, it is charged on the sales of goods and services and is recoverable from purchases. VAT/GST paid / on import are also included. There is no net loss to the government for any taxes refunded. It also includes import taxes/ VAT/GST on goods or services acquired and import tax paid to the tax authorities directly at the border (or indirectly through a deferment account or freight forwarder) when importing goods and services.

Other taxes

This category comprises any other indirect taxes levied on products either from suppliers or invoiced to customers.

It also comprises taxes that are withheld at the source or deducted from payments made to third parties, both domestic and overseas. Taxes are charged on payments of services and profit distributions. Typically, this tax is reflected in withholding tax returns made to governments and is payable monthly or periodically.

Other considerations related to preparing this report

Tax payments related to prior years

All payments are reflected in the year they are paid, regardless of the year of assessment that they relate to.

Tax refunds related to prior years

All refunds are informed in the year they are received, regardless of the year of assessment that they relate to and are separately disclosed from the total figures.

Taxes under audit

Taxes under audit or dispute may not crystallize, which will lead to re-statements. These amounts are excluded until cash is paid or refunded.

Fines, penalties and interest

All fines, penalties and interest paid to the government have been included.

Tax credits

In some cases, tax credits from one type of tax can be used to settle liabilities of other taxes in future years.

In Brazil, Normative Instruction 1,717 of 2017 provides for the mechanism for refunding and offsetting federal tax credits. Thus, the taxpayer can claim its right to refund or use federal tax credits to settle tax debts (offset) by submitting an electronic request for returns or reimbursements and for compensation (PER/DCOMP) a tax refund/offset return to Brazilian Federal Revenue.

Tax credits represent a payment to the government in the year they are utilized.

Appendix 2 – GRI 207

As part of journey towards providing our stakeholders with more comprehensive information about our tax practices, we continue to align with the Global Reporting Initiative's GRI207 on Tax. The table below references our management approach disclosures under the requirements of GRI 207-1, 2 and 3.

As members of the ICMM, we are working towards enhancing our country-by-country disclosures in the future, under either the GRI 207-4 or the OECD BEPS Action 13 framework.

Approach to tax		Page
207-1	a. A description of the approach to tax, including:	
	i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available;	15
	ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review;	15
	iii. the approach to regulatory compliance;	18
	iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.	16-17
Tax governance, control, and risk management		Page
207-2	a. A description of the tax governance and control framework, including:	
	i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy;	15
	ii. how the approach to tax is embedded within the organization;	15-16
	iii. the approach to tax risks, including how risks are identified, managed, and monitored;	18
	iv. how compliance with the tax governance and control framework is evaluated.	15
	b. A description of the mechanisms for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax.	16
	c. A description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion.	47-49
Stakeholder engagement and management of concerns related to tax		Page
207-3	a. A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including:	
	i. the approach to engagement with tax authorities;	19
	ii. the approach to public policy advocacy on tax;	19-20
	iii. the processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.	20

Appendix 3 – Glossary

Adjusted Effective tax rate

Income tax expense (or income if applicable) divided by the profit (or loss if applicable) before tax, excluding the influence of exchange rate movements and exceptional items.

Brazilian tax authorities

Any national, regional or local tax authority in Brazil. The Brazilian Federal Revenue Service (RFB in Portuguese) operates at the national level. State Finance Departments (SeFaz) and Municipal Finance Departments (SMF) operate at the regional and local level respectively.

CIT

The acronym for Corporate Income Tax.

CFC

A controlled foreign company. Under Brazilian legislation, CFCs are subject to the taxation of any statutory profit realized by group entities at a corporate income tax rate of 34%.

CFEM

The Portuguese acronym for *Compensação Financeira pela Exploração Mineral*. This is a financial charge to be paid to the Brazilian federal government as compensation for the using mineral resources. It is levied on the revenues from the sale of minerals extracted, net of taxes, insurance costs and costs of transportation. The current CFEM rates are: 3.5% for iron ore; 2% for copper, nickel and other materials; 3% for bauxite and manganese ore; 1.5% for gold and 1% for sand.

Current tax

As it is defined in the International Financial Reporting Standard IAS 12, current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax

As it is defined in the International Financial Reporting Standard IAS 12, deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- (a) deductible temporary differences;
- (b) the carryforward of unused tax losses; and
- (c) the carryforward of unused tax credits.

ECF

The Portuguese acronym for *Escrituração Contábil Fiscal* (tax and accounting Return), a tax return that comprises corporate income tax computation and transfer pricing schedules, among other information. It must be submitted to the Brazilian Federal Revenue by most taxpayers on an annual basis.

Fees

Payments to governments charged on the initial or ongoing right to use an area for extractive activities. There is no specific government service attached.

Government

Any national, regional or local authority of a jurisdiction governing body. Also includes any department, agency or undertaking that is a subsidiary undertaking where the authority is the parent undertaking.

GST

The acronym for Goods and Services Tax which is an indirect tax (or consumption tax) used on the supply of goods and services that is ultimately borne by the final consumer. A GST is collected by

Income tax

The total of current tax and deferred tax.

Indirect tax

Taxes imposed on goods and services rather than on income or profits. They can be passed on to another entity or individual. Examples include VAT, GST, sales tax and others. In Brazil, the examples are Tax on Industrialized Products (IPI in Portuguese) and the Tax on Operations Relating to the Movement of Goods and Interstate Transport Services for Intermunicipal and Communications (ICMS in Portuguese).

Iron ore pellets

Agglomerated ultra-fine iron ore particles of a size and quality suitable for specific iron producing processes. Our iron ore pellets range in size from 8 mm to 18 mm.

ISSQN

The Portuguese acronym for Tax on Services of Any Nature, which is imposed on any kind of services performed by companies or self-employed professionals, with a maximum rate of 5%, its assessment is based on the price of each service and also assessed on services provided by non-residents to Brazilian residents (import of services)

IPTU

The Portuguese acronym for Tax on Services of Any Nature, which is charged by the local municipality. IPTU is paid every year, by the owner of a house, building or land plot.

OECD

The acronym for the Organization for Economic Co-operation and Development (OECD). This is an intergovernmental economic organization founded in 1961 to stimulate economic progress and world trade. The organization provides a forum and knowledge

hub for data and analysis, exchange of experiences, best-practice sharing, and advice on public policies and international standard-setting.

Ore

A rock, a natural solid material, from which a metal or mineral can be extracted.

PIS / COFINS

The Portuguese acronyms for Social integration plan (PIS) and Social Welfare Tax (COFINS) which are levied at different percentages on the company's gross revenues. There are two applicable regimes: cumulative – rates of 0.65 % and 3 %, respectively, without any generation or use of credits; or non-cumulative – rates of 1.65% and 7.6 % and 1.65 %, respectively, with generation of credits in the acquisition of goods or services that can be offset with debts of the same contributions. Such contributions are also levied on the importation of services (with rates of 7.6 % and 1.65 %) and goods (with rates of 2.1 % and 9.65 %).

Project

Operational activities related to the type of the commodity in a certain region, governed by contracts, licenses, leases, concessions or similar legal agreements and that form the basis for payment of liabilities to a government.

Refis

The Portuguese name for the debt reduction or Settlement program of the Government related to the collection of federal taxes.

RFB

The Portuguese acronym for Brazilian Federal Revenue.

Royalties

All mining taxes that are levied by the government. Royalties includes the CFEM.

Tax

A compulsory financial charge, in order to contribute to state revenue or some other type of levy imposed upon a taxpayer by the government. It is required to be paid by law or by agreement.

Tax borne

Taxes borne are those that companies are required to pay to the government or a third party on its own behalf.

Tax collected

These are taxes that we administer on behalf of the government and collects from others. Typically, these taxes would form part of a return made to a government and are payable and paid, regularly (often monthly) throughout the year, shortly after the submission of returns.

Temporary differences

Differences between pre-tax statutory profit or loss and taxable income or loss for a given reporting period. These differences arise because the reporting period in which some items of revenue and expense are included in determining of the pre-tax statutory profit or loss does not coincide with the reporting period in which they are included when determining of taxable income or loss.

TFRM

The Portuguese acronym for an Analysis of the Rate for Controlling, Monitoring and Supervision of Exploration and Mining Activities of Mineral Resources. It is a tax imposed on several Brazilian states, including Minas Gerais, Pará and Mato Grosso do Sul, on mineral production. It is assessed at rates ranging from R\$0.50 to R\$3,575 per metric ton of minerals produced in or transferred from the state.

VAT

A value-added tax, which is an indirect tax (or consumption tax) levied on the supply of goods and services that is ultimately borne by the final consumer. VAT is collected by all sellers in each stage of the supply chain. Suppliers, manufacturers, distributors and retailers all collect the value added tax on taxable sales. Suppliers, manufacturers, distributors, retailers and end consumers all pay the VAT on their purchases. Businesses must track and document the VAT they pay on purchases in order to receive a credit for the VAT paid on their tax return. Tax jurisdictions receive the tax revenue throughout the entire supply chain as opposed to at the sale to the final consumer chain.

Appendix 4 – Companies list

The table included only entities that paid any type of tax in the scope of this report, during FY 2022.

Company	Country	Company	Country	Company	Country	Company	Country
Aços Laminados do Pará S.A.	Brazil	Minerações Brasileira Reunidas S.A.	Brazil	Vale Europe Limited	United Kingdom	Vale Newfoundland & Labrador Ltd.	Canada
Atlantic Iron SarL	Luxembourg	Monticello Insurance Limited	Barbados	Vale Exploraciones Chile Limitada	Chile	Vale Nickel (Dalian) Co., Ltd.	China
Centro Tecnológico Soluções Sustentáveis S.A.	Brazil	New Steel S.A.	Brazil	Vale Exploration Peru S.A.C	Peru	Vale Óleo e Gás S.A.	Brazil
CMM Overseas S.A.	Switzerland	New Steel Global S.à.r.l.	Luxembourg	Vale Holdings B.V.	Netherlands	Vale Oman Distribution Centre LLC	Oman
Companhia Logística Africa Limited	Mozambique	PT Sumbawa Timur Mining	Indonesia	Vale Holdings B.V. – Branch	Switzerland	Vale Oman Pelletizing Company LLC	Oman
Companhia Portuária Baía de Sepetiba	Brazil	PT Vale Eksplorasi Indonesia	Indonesia	Vale India Private Limited	India	Vale Power S.A.	Switzerland
Companhia Siderúrgica Ubu	Brazil	PT Vale Indonesia Tbk	Indonesia	Vale International S.A-DIFC	United Arab Emirates	Vale S.A.	Brazil
Companhia Usina Tecpar	Brazil	Railvest Investments Inc.	Canada	Vale International S.A.	Switzerland	Vale Shipping Holding Pte Ltd.	Singapore
Corredor do Desenvolvimento do Norte S.A.	Mozambique	Rio Doce Australia Pty Limited	Australia	Vale International S.A. – Branch	Singapore	Vale Soluções em Energia S.A.	Brazil
Corredor Logístico Integrado de Nacala S.A.	Mozambique	Salobo Metais S.A.	Brazil	Vale Investments S.A.	Switzerland	Vale Switzerland S.A.	Switzerland
CO-LOG Logística de Coprodutos S.A.	Brazil	Tecnoed Desenvolvimento Tecnológico S.A.	Brazil	Vale Japan Limited	Japan	Vale Taiwan Limited	Taiwan
Docepar S.A.	Brazil	Transbarga Navegación S.A.	Paraguay	Vale Logística de Argentina S.A.	Argentina	Vale Technology Development (Canada) Limited	Canada
Florestas Rio Doce S.A.	Brazil	Vale Americas LLC	United States	Vale Logística de Uruguay S.A.	Uruguay		
Kaolin Overseas S.A.	Switzerland	Vale Asia Kabushiki Kaisha	Japan	Vale Malaysia Minerals Sdn Bhd	Malaysia		
Mediterranean Iron Limited	Malta	Vale Base Metals Americas LLC	United States	Vale Malaysia Sdn Bhd	Malaysia		
Mineração Corumbaense Reunida S.A.	Brazil	Vale Base Metals Asia Pacific Pte. Ltd.	Singapore	Vale Manganeés S.A.	Brazil		
Mineração Guanhões Ltda	Brazil	Vale Canada Limited	Canada	Vale Mauritius Limited	Mauritius		
Mineração Mato Grosso S.A.	Brazil	Vale Colombia SAS en Liquidación	Colombia	Vale Metals (Shanghai) Co., Ltd.	China		
		Vale Energia S.A.	Brazil	Vale Minerals China Co., Ltd.	China		
				Vale Moçambique S.A.	Mozambique		

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