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Vale launches 2010 Sustainability Report

Community, climate change, energy, water, health and safety, emissions, waste, talent management, development of suppliers and land use: based on these topics, considered the most important by different stakeholders, on Wednesday, June 30, Vale launched its fourth Annual Sustainability Report, which refers to 2010. For the second consecutive year, Vale has achieved an A+ “application level,” indicating the highest level of transparency, and the company presents its performance in economic, environmental and social dimensions in line with the Global Reporting Initiative (GRI) methodology.

The A+ application level requires the reporting of 90 indicators, including all profile items, management data and essential performance and Mining & Metals Sector Supplement indicators. The document has been checked by an external independent entity and verified for compliance with guidelines produced by the International Council on Mining and Metals (ICMM), to which Vale is a signatory. It has also been checked by GRI itself.

As a result of this continuous improvement with regard to transparency, Vale recently took a major step forward, as the first mining company to join the São Paulo Stock Exchange’s ISE Business Sustainability Index, a portfolio that came into effect in January of this year. “This is yet another way of maintaining transparency in relation to our sustainable practices, a subject that is receiving growing attention from investors, given that it contributes to the strengthening and growth of companies in the long term,” explains Giane Zimmer, Vale’s general manager of Environment and Sustainable Development Planning and Management.

Vale’s actions are guided by its Sustainable Development Policy, which is composed of three pillars: being a Sustainable Operator, a Catalyst for Local Development and a Global Agent for Sustainability. The company seeks to continuously improve its sustainability performance. Through its Sustainability Action Plan (SAP), which establishes sustainability performance indicators and targets, resources have been allocated for the 2010-2012 period to prioritize actions to cut the amount of hazardous waste generated and use natural resources such as water and energy more efficiently, among other initiatives.

The progress achieved is visible, such as a rise in the water reuse rate from 76% in 2008 to 79% in 2010. Of the 1.2 billion liters required by Vale’s operations last year, 998 million liters were supplied by reused water. At Vale’s operations, water is considered to be an asset. Due to its importance as a fundamental input, a diagnosis was conducted in five areas responsible for around 40% of the water extracted by Vale in Brazil – Parauapebas (Pará), São Luís (Maranhão) and Itabira, Mariana and Vargem Grande (Minas Gerais) – and opportunities were identified to reduce water extraction and use alternatives, such as rain water and effluent. At the Carajás mines in Pará, for example, the application of new technologies is considerably reducing the amount of water used in ore processing.

Climate Change

Fighting global warming is another priority for Vale. In 2010, the company’s direct and indirect emissions (scope 1 and 2) were 20 million tons of CO2 equivalent, 55% up on 2009. This increase is mainly due to the resumption of operations that were temporarily shut down and/or slowed down as a result of the global economic crisis, as well as business expansion, such as the inclusion of recently acquired fertilizer assets.

Vale's actions continue to be underpinned by its commitment to developing a low-carbon economy. It is currently the only Latin American company in the Carbon Disclosure Leadership Index (CDLI), a ranking produced by the Carbon Disclosure Project (CDP) to identify leading companies in the management of carbon risk and exposure. The target is now to achieve standards of excellence in relation to the management of greenhouse gas emissions by 2012.

Ensuring energy supplies is a priority of Vale's, aligned with its Corporate Guidelines on Climate Change and Carbon. In 2010, the company's total energy consumption (direct and indirect) was 267 terajoules (TJ). Direct energy consumption, 75% of the total, was 199,000 TJ, a 56% rise on 2009, mainly due to higher production in 2010 and the acquisition of companies such as Vale Fertilizers. Total demand for electricity was 22 terawatt hours (TWh), 32% of which (6 TWh) was generated by Vale's own power plants, generators and cogeneration facilities.

Of Vale's total energy needs in 2010, 25% was supplied by renewable sources, largely hydroelectric. We continued our research into clean energy generation and renewable energy, which is being conducted by Vale Soluções em Energy (VSE) in partnership with BNDES, Brazil's development bank.

Vale is also investing in natural gas and biodiesel to replace diesel in its operations. On the Vitória to Minas Railroad, "Green Train" trials are being run to fuel locomotives with a blend of natural gas and diesel, with the former accounting for between 50% and 70% of the total. (Natural gas is less carbon intensive than diesel.) Vale currently powers its locomotives with B5 (5% biodiesel, 95% regular diesel).

Another important recent step was Vale's acquisition in 2011 of 70% of Biopalma, a company based in the state of Pará that produces palm oil, a raw material used to make biodiesel. Biopalma will start to produce palm oil before the end of this year, and annual output of 500,000 tons is expected in 2019. Most of this oil will be used to make B20 (20% biodiesel, 80% regular diesel) to power Vale's locomotives and large machinery at its operations in Brazil.

People

Vale ended 2010 with 174,000 direct employees and contractors (service providers working on long-term contracts and projects). This represents an increase of 33,500 people on 2009, 40% of whom work at acquired fertilizer companies.

In 2010, women accounted for 11% of direct employees, broadly in line with the mining sector. Of these women, 36% worked as specialists, 17% were area managers or coordinators, 14% held general management positions, 9% were senior executives, 7% were operational technicians and 7% were supervisors.

Vale is committed to developing new talent. More than 2,700 young people participated in the company's Vocational Training Program in Brazil, 1,556 in the country's North region. In Mozambique, around 300 apprentices received training in mine, plant and railroad operations and maintenance. In Oman, 64 young people were trained to work in plant operations and maintenance. Meanwhile, as part of the Specialist Professional Training Program, postgraduate diplomas were awarded to 95 professionals in railroad, pelletizing and port engineering, in partnership with the federal universities of Ouro Preto (UFOP) and Rio de Janeiro (UFRJ) and Faculdade Univix in Espírito Santo. In Brazil alone, Vale's investment in education exceeded US\$ 34 million in 2010.

Local Development

The quantity invested in the social field – for example, in relationship, culture, education and infrastructure actions – in 2010 was US\$398.5 million, nearly twice the amount spent in 2009. Reducing urban infrastructure and housing shortages was the objective of 202 engineering plans developed or supported by the Vale Foundation in 56 municipalities in Pará, Maranhão, Minas Gerais, Mato Grosso do Sul and Espírito Santo. As a result of this work, these municipalities will be able to access around US\$400 million of federal government resources for building projects, which are expected to benefit more than 200,000 people when they are completed.

In 2010, Vale Foundations were set up in Colombia and Mozambique and work on establishing Foundations in New Caledonia and Chile was begun. In 2011, there are plans to create Vale Foundations in Guinea and Australia.

Developing Suppliers

In all, US\$129 million in credit was provided for Vale's suppliers in 2010. This is one of the activities of the Inove program, which is designed to strengthen suppliers to Vale's operations in Brazil. In 2010, the program made a partnership with the Brazilian Micro and Small Company Support Service (SEBRAE) and its activities are currently being expanded abroad in order to progressively serve all regions where Vale operates in the world.

Health and Safety

The year 2010 saw the consolidation of Vale's health and safety management system at operations and projects in Brazil, and its expansion to international units and projects. Vale's rate of accidents leading to lost workdays fell by 40% between 2008 and 2010 (from 1.5 to 0.9 accident per 1 million man-hours worked).

More than US\$100 million were invested in health and safety enhancement projects, such as the implementation of Critical Activities Requirements (CARs), special tools designed to eliminate fatal accidents in operations and projects. Despite of all Vale's efforts and its strategy focused on achieving a target of zero fatalities, in 2010 there were 11 fatal accidents at operations and projects involving the company's employees and contractors. Besides investing in prevention, Vale published a Health and Safety Policy to reinforce its commitment to people.

Environment and Biodiversity

The amount of resources invested in the environmental area in 2010 was US\$737 million, 27% up on 2009.

In addition to restoring areas impacted by its operations, Vale protects and helps to protect almost 11,000 km² of natural habitat. At the Vale Nature Reserve in Linhares, Espírito Santo, for example, nearly 3,000 plant species and hundreds of animal species have been cataloged. In Pará, Vale helps to conserve more than 8,000 km² of Amazon forest in the Carajás Mosaic through a partnership with the federal government.

Vale is also concerned about waste disposal. In 2010, the company generated 446,000 tons of waste, and recycling accounted for a larger share of final waste disposal than in 2009 – approximately 48%.

Total emissions of particulate matter were 6,600 tons, 29% up on 2009, mainly due to operations resuming at a number of pelletizing plants. In 2010, Vale invested over US\$125 million in particulate emissions controls in Tubarão Complex, Espírito Santo. Work on installing three wind fences was conducted in 2010, and one of them was completed. These barriers, installed around storage yards, cut particulate emissions by reducing the wind speed. By the end of 2011, work on installing the other wind fences will have been completed, making a total of five wind fences at the Complex.

More information



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