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Vale launches its third anual sustainability report

In recent years, Vale has steadily increased its level of transparency in communicating sustainability information. In its first Sustainability Report in 2007, 51 indicators were reported, with an additional 22 the following year. These efforts recently led the company's 2008 Sustainability Report to win the GRI Readers Choice Award in the Civil Society category. This award is given to the organization whose report receives the highest number of votes from civil society, which includes labor unions, public institutions, academics, specialists, citizens in general and the media. Vale's first two reports were also considered to be Notable Communications on Progress (COPs) 1 by the United Nations Global Compact.

In its third sustainability report, which relates to 2009, Vale achieved an A+ application level, according to the GRI 2 methodology, with 86 indicators reported. For the 2007 and 2008 reports, the application level obtained was B+. This means that Vale's report, which sets out information on the company's economic, social and environmental performance, has achieved the highest level of transparency as defined by the GRI.

The A+ application level takes into account all information provided on the company's profile and management, essential performance indicators and Mining and Metals Sector Supplement data. The level also indicates that the sustainability report was externally checked by an independent entity, in our case Ernst & Young, which verified the report based on ICMM (International Council on Mining and Metals) as well as GRI guidelines.

According to Vale's environment and sustainable development director, Vânia Somavilla, "This report represents a watershed, given that we have achieved the A+ transparency level in our third sustainability report. This important advance reflects our alignment with global initiatives to which we are signatories, such as the United National Global Compact and the International Council on Mining and Metals."

The report also followed the principle of materiality (relevance), which involved consulting different stakeholders in order to discover what information they wanted to see provided in the report. Our stakeholders considered the following information to be the most important (in decreasing order of importance): jobs and labor relations; minimization of environmental impacts; business performance; ethical business practices; environmental conservation; safety and work accidents; regional legacies; the supply chain; staff training and development; and communications and engagement.

Environmental actions, technology and the supply chain

In 2009, Vale made it a priority to take action to tackle the challenge of climate change. Together with the Ethos Institute and the Sustainable Amazon Forum, the company led the writing and delivery of an open letter on climate change to the Brazilian government. The letter presented 30 major Brazilian companies' voluntary commitments to support global efforts to reduce the impacts of climate change, including the preparation of greenhouse gas inventories and engagement with government and civil society to contribute to discussions on public policy in the field. Vale also signed the Copenhagen Communiqué, a statement issued by global business leaders in support of an agreement on climate change issues.

Another initiative that warrants highlighting is the creation of the Vale Fund for Sustainable Development, a non-profit entity that aims to promote sustainable development, balancing preservation and conservation of the environment with improvements in socioeconomic conditions in developing countries. Among other ventures, the fund has established a

partnership with Amazon research institute Amazon to improve the deforestation monitoring system in the Amazon region. The fund has been given an initial sum of US\$26 million to invest over the next three years.

Every year, Vale produces a greenhouse gas inventory. In 2009, the company's total direct emissions were 12.1 million tons of CO₂ equivalent, 22% down on the previous year's figure. Indirect emissions added up to around 800,000 tons of CO₂ equivalent, 40% less than in 2008. According to the Carbon Disclosure Project (CDP), in 2009 Vale once more registered the lowest intensity of emissions per unit of revenue among major mining companies, with 522 tons of CO₂ equivalent emitted for each US\$1 million of revenue.

Also last year, we began a preliminary diagnosis of emissions produced within our supply chain, using a progressive approach, with the aim of incorporating them in our inventory. Our suppliers' emissions totaled 0.6 million tons of CO₂ equivalent.

In 2009, 76% of the water used in the company's operations was reused: of the 1.2 billion m³ we required, 288 million m³ was taken from nature and the rest was accounted for by recycled water.

In order to develop and support research projects in mining, steelmaking, energy, eco-efficiency and biodiversity, last year the Vale Technology Institute (ITV) entered into partnerships with the state research promotion foundations of Minas Gerais (Fapemig), Pará (Fapespa) and São Paulo (Fapesp). The partnerships will support research proposals in a variety of areas, such as reuse of wastes, new processes for producing biofuels and conservation of ecosystems.

For our business to become truly sustainable, it is essential for this concept to be present throughout our supply chain. Vale has been working to contract local suppliers with the aim of boosting the economies of the remote regions where it operates. The Inove Program, which trains regional suppliers to help them meet market demands, has been strengthened. Around 400 companies took part in distance courses and 169 benefited from a credit line. 2009 also saw the launch of our Suppliers' Code of Conduct, which has the aim of spreading the principles of ethical conduct followed by Vale in its commercial relations with companies supplying goods and services.

You can read our complete sustainability report in Portuguese and English at www.vale.com

Other key figures

Corporate governance

- As part of the continuing process of globalizing our internal policies and regulations, in 2009 we approved 15 new documents of global scope. These include our Sustainable Development Policy, Business Security Policy, Health, Safety and Environment Rules, and Human Rights Policy, which reaffirms Vale's commitment to this issue of worldwide interest.

Staff

- Vale ended 2009 with 140,600 direct employees and contractors, 78% in Brazil.

- Despite experiencing a significant reduction in demand, we strove to maintain our greatest store of knowledge and production capacity: our employees. In order to position ourselves successfully at a time of economic crisis, we implemented creative means of reducing costs whilst retaining employees. As a result, our workforce fell by 3.5% from 2008 to 2009, compared with a reduction in iron ore output of 22%.

- In 2009, women continued to account for 10% of Vale's workforce, broadly in line with the global mining sector. Of Vale's female workers, 53% worked as technicians, 39% as specialists (university degree level), 4% were supervisors and 4% worked at management level.

Local development

- In 2009, Vale spent US\$200.9 million on social initiatives, 13% less than in 2008, due to the cost-reduction strategy adopted in response to the global recession. This reduction was smaller than the company's drop in revenue and output.
- Around 16% of this social investment was allocated to infrastructure projects. One of the Vale Foundation's goals is to contribute to reducing deficits in urban infrastructure and housing in the areas where the company operates. The Vale Foundation helps municipal governments to produce technical plans that are then submitted to the federal and state governments for funding. As of December 2009, 72 plans had been produced or were in the process of being produced, benefiting 40 municipalities in the states of Pará, Maranhão, Espírito Santo and Minas Gerais.
- The Vale Foundation has continued to establish new "knowledge stations" - human and economic development centers that are managed jointly by Vale, public authorities and civil society. The objective is to help improve the quality of life and contribute to integrated, sustainable development in local communities, leaving a legacy of systematized and institutionalized knowledge for the regions and municipalities where we are present. Approximately 30,000 young people will benefit from the 18 knowledge stations to be built by 2012 in the states of Maranhão, Minas Gerais, Espírito Santo, Pará, Sergipe and Rio de Janeiro.
- Also in 2009, the Vale Foundation launched the Brasil Vale Ouro program, which is designed to select and train athletes in judo, swimming and athletics in the towns and cities where the company operates. The program, which operates at knowledge stations, represents Vale's contribution to elite sport.

Health and safety

- The rate of accidents leading to time off work fell 33% from 2008 to 2009 (from 1.5 to 1.0 accidents per 1 million man-hours worked).
- Despite our efforts to manage risks and a significant fall in our accident rates, we regret to say that there were nine fatalities in 2009 at our operations involving Vale employees and contractors and three fatalities suffered by transport service providers on highways.
- In 2009, we managed to reach implementation of more than 72% of our "Critical Activities Requirements," fundamental tools to reducing accident rates within our Brazilian operations, beating our target of 70%.
- Vale has been working to encourage the members of its supply chain to adopt safety measures.

Environment and biodiversity

- In 2009, Vale spent US\$580 million on environmental projects, 14.5% less than in 2008. This reduction was largely due to temporary shutdowns at some operations as a means of dealing with the economic crisis. Most of the investment was allocated to the following areas: acquiring and installing environmental control equipment; environmental geotechnical maintenance and ensuring the safety of tailings dams and slag heaps; reforestation and restoration of degraded areas as part of the Vale Reforestation program; and agreements with a number of state governments in Brazil.
- In 2009, Vale produced 436,000 tons of waste (10% of which was hazardous), 10% less than in 2008. Almost all of the waste was sent to landfills (58%) or recycled (33%).
- In 2009, taking into account restoration and reforestation activities carried out voluntarily on leased land and other land owned by third parties (land that is not related to our mining operations), we exceeded a ratio of one hectare recovered/planted for each hectare affected by our mining operations throughout the world, in line with the commitment we made in the previous year's report.

Notes:

1 Established in 1997, the Global Reporting Initiative (GRI) is a network of sustainability specialists who have developed a structure to prepare reports on sustainability that is the most widely used internationally.

2 A COP is a report to stakeholders about the signatory's progress in implementing the ten principles of the United Nations Global Compact.

More information



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