



PRESS KIT

**Meeting between Peter POPPINGA,
Managing Director of Vale Inco Nouvelle-Calédonie
And the New Caledonian press
*Friday, October 16 2009 – 10h30***

October 1, 2009: Peter POPPINGA assumes duties as Managing Director of Vale Inco Nouvelle-Calédonie.

Professional Background

Born and brought up in Rio de Janeiro, Brazil.

Studied geological engineering in Brazil and Germany and took additional specialist courses in mining engineering.

The first part of his career:

- Began working in prospecting (notably in the Amazon jungle), then worked in planning and beneficiation for Samitri, a specialist iron ore mining company in Brazil.
- He then took on responsibility for production at all this company's iron mines.

The second part of his career took him away from Brazil:

- First of all to Luxembourg, with the Marketing department, exploring and opening the Chinese market for Brazilian iron ore.
- In 1999, he joined Vale as a sales director in New York and then moved to Brussels and Geneva working as the principal price negotiator for Vale's iron ore.
- When Vale acquired Inco, he moved to Canada to assist with incorporating this company into the Vale group. He took on the role of Executive Vice President for Strategy, Business Development, Human Resources and Sustainability at Vale Inco.

Peter POPPINGA is a Vale employee attached to the group's nickel arm.

He will carry out the role of Managing Director at Vale Inco Nouvelle-Calédonie, while also remaining a member of the Board of Vale Inco Nouvelle-Calédonie, the Board of PTI in Indonesia and the Board of Vale Inco in Canada, for Asia and the Pacific.

Vale has always intended to develop its presence on the nickel market in Asia and the Pacific. The appointment of Mr POPPINGA is therefore in keeping with the group's wish to give its support to the successful start-up and development of production at Vale Inco Nouvelle-Calédonie.

Vale

Some key figures, in a 2008:

- 145, 000 employees across the globe;
- 2nd largest mining group in the world with market capitalisation of 10,660 billion FCFP (130 billion \$USD) ;
- In spite of the financial crisis, Vale has invested 820 billion FCFP (10 billion \$USD). A comparable figure is expected for 2009.

A multinational company must take an approach to its **social and environmental responsibilities** that is proportionate to the scale of its activities. **Vale applies such values wherever it operates in the world.**

Vale has the best record among mining companies for carbon emissions per unit of revenue and is one of the 5 best placed companies in the Goldman Sachs report on sustainable development.

In 2007, Vale set itself the mission of "**transforming mineral resources into Prosperity and Sustainable Development**". During the same year, Vale invested 56,250 billion FCFP (686 million \$USD) on socially and environmentally responsible projects. In 2008 this sum reached 74,538 billion FCFP (909 millions \$USD), an increase of more than 30%, in spite of the economic crisis. It is very clear that this group's actions reflect its promise.

Two principles govern this **promise**:

- To base sustainable development on the principle of sharing prosperity with local public and private players, and to contribute to structuring and developing local economies and,
- To protect and restore the natural environment by pursuing a strategy that shows awareness of the future issues. Partnerships with governments, local businesses and civil society are a key element of ensuring shared success.

Vale's expertise and experience will benefit New Caledonia.

Vale Inco Nouvelle-Calédonie

Vale Inco Nouvelle-Calédonie is already making good progress. In recent years, **concrete actions have been taken**, short and long term, to promote sustainable development and to benefit the people of New Caledonia and the communities of the Grand Sud region.

Moreover, discussions are currently underway with the authorities and other groups concerned to set out the terms of a financial contribution towards developing useful and long-lasting infrastructures which will meet the needs of both local communities and our activities.

A- An example of some of our current environmental initiatives:

A **plant nursery** dedicated to research and to replanting endemic species has been open since 1996. It is currently New Caledonia's largest facility for producing local and endemic plants with 2400 m² of greenhouses. The nursery will soon achieve an output of 500,000 plants per year and incorporate 200 to 300 different species, to be used for replanting mining sites. The end objective is a maximum output of one million plants per year.

In April 2009, Vale Inco Nouvelle-Calédonie signed an **agreement on protecting biodiversity** with the Southern Province authorities. Over the next five years, Vale Inco Nouvelle-Calédonie will allocate 600 million FCFP to conservation projects and projects to promote biodiversity.

Vale Inco Nouvelle-Calédonie also plays an active role in the **ŒIL** environmental observation and information group, and the **Energy observation** group chaired by the DIMENC (New Caledonia's energy and mines department).

More than 1 billion FCFP has been spent on the environment over the last 4 years.

B - An example of some of our current social initiatives:

From the moment Vale Inco Nouvelle-Calédonie produces its first tonne of nickel, the action taken through the "Biodiversity Agreement" will be complemented by the "**Grand Sud Sustainable Development Pact**" for which the total investment is estimated at almost 15 billion FCFP over 30 years.

This measure is based on the three pillars of sustainable development:

- social and cultural development within communities
- protection of the environment
- balanced economic development

The forthcoming appointment of **eight environmental technicians** means that the communities of the Grand Sud will be even better informed of our environmental activities on an ongoing basis. We are ready to appoint these people, in consultation with the Pact's signatories. This innovative concept is part of a long-lasting and transparent approach to environmental management at the Grand Sud industrial plant

Progress is also being made with the project to set up **satellite nurseries**. The purpose of this project is to support replanting in the Grand Sud area, particularly at the site of derelict mines, and to produce market value species.

The policy of developing a local skill base is also active and bearing fruit. **Local employees** account for **90%** of the workforce at Vale Inco Nouvelle-Calédonie and one third of these workers come from the Grand Sud. Major operational departments are now being managed by New Caledonians.

At the same time, Vale Inco Nouvelle-Calédonie continues to contribute to **ongoing and one-off programmes** such as:

- Volunteer projects (150 million FCFP since 2006)
- Support for redundant workers who wish to establish a micro business (partnership with ADIE and NCI (100 million FCFP since 2008)
- The Mont Dore eco-museum (90 million FCFP since 2009).

C - Vale Inco Nouvelle-Calédonie has also invested in safety at work

More than 3 billion FCFP has been spent on training (including 1.4 billion on health and safety training) over the last three years, in order to ensure that employees and subcontractors have the required expertise to begin operations at the plant safely.

The acid spill in April 2009

Vale Inco Nouvelle-Calédonie deeply regrets that this incident happened and is sorry about how the communication was managed. **65 measures** have been taken **focusing on five main areas**:

1. The strategy for retaining and managing surface waters
2. The acid unit and the management of chemical substances on site
3. Strategies and procedures for managing risks and safety
4. Training and communication
5. Environmental monitoring

Concrete action taken includes: a full review of the acid unit by the person who built it, replacement of defective or suspect joints in all units on the site, water retention capacity increased from 18 000 to 50 000 m³, a full review of the drainage system around the plant, an in-depth study of our risk management procedures and strategies, consolidation of protective and safety measures and of training, and specific environmental monitoring when normal conditions have re-established at the Creek de la Baie Nord. This action represents an additional 3 billion FCFP (36 million \$USD) that has been invested and spent in order to improve safety for our employees and reduce the risk of an incident such as this happening again.

Safe working is an imperative and there can be no compromise. Every one of us has the right to a safe working environment. Since January 2009, the rate for accidents leading to temporary incapacity has been significantly below the national average (0.24 % at Vale Inco Nouvelle-Calédonie).

However, safety conditions have been criticised recently by one trade union in particular. The necessary inquiries and assessments have been rapidly commissioned both internally and by the CHSCT (committee for health and safety at work). Within the company, forums on hygiene, health and safety are being organised to ensure that good practice is adopted to the maximum; everyone has responsibility for this and is able to discuss these important subjects. Safety is an individual matter which needs to be pursued collectively in order to minimise the inherent risks involved in any industrial activity.

Peter POPPINGA's 3 Key Objectives:

- 1 – To develop excellence in environmental and safety practices at Vale Inco Nouvelle-Calédonie;
- 2 – To improve communication with all parties involved (which requires even more transparency);
- 3 – To begin and increase production at the industrial plant sustainably.

Vale confirms its commitment to the Goro project.