

**Nominated for the Public Eye People's Award 2012**

by Justiça nos Trilhos (Justice on the Tracks), on behalf of the International Network of People Affected by Vale

## Vale

Headquarters:	Brazil
Industry:	mining and dam construction
Revenue / Profit:	USD 52.5 billion / USD 18.9 billion
Owned by:	publicly-listed corporation
Employees:	120,000
CEO:	Murilo Ferreira
Website:	<a href="http://www.vale.com">www.vale.com</a>

### Summary

*Mines, steel plants, railroads, ports and hydroelectric dams at the expense of people and the environment: Vale is the second-largest corporation in Brazil, the second-largest mining corporation worldwide, operating in nearly 40 countries, and the largest global producer of iron ore. The corporation's 70-year history is tarnished by repeated human rights abuses, inhumane working conditions, pillaging of the public heritage and the ruthless exploitation of nature. An international network linking communities and workers affected by Vale was created in 2010. It recently launched a dossiê describing several of the worst cases of Vale's disregard for people and the environment in eight countries. One such example is the company's recent purchase of a major stake in the consortium engaged in building the notorious Belo Monte Dam Complex in the Amazon. If the massive dam project continues, it will have disastrous social and environmental consequences, including the forced relocation of 40,000 people and devastation of a riverine ecosystem that is the basis of survival for indigenous communities, riverbank communities and fisherfolk - who have not had a voice in the matter, nor will they receive adequate compensation.*

### Irresponsible Corporate Behavior

Vale has a long corporate history characterized by inhumane working conditions, human rights violations and environmental destruction. Currently, Vale is a significant partner in the NESA consortium that is building the highly-controversial Belo Monte Dam in the heart of the Amazon. The USD 17 billion project is characterized by authoritarian planning and blatant disregard for human rights and environmental legislation. Affected indigenous peoples have not been consulted in the planning process. Clearly, Vale is participating in the dam project in order to ensure a cheap energy supply for its existing and planned mining operations in the Amazon. Currently, Vale

operates multiple iron ore mines in the vicinity. Vale's human rights problems are also well-known in other regions. Long-term strikes in Canada, forced displacement of thousands of people in Mozambique, use of paramilitary agents to repress leaders of traditional peoples in Peru, union busting in Colombia and severe environmental damage to indigenous peoples territories in New Caledonia are some examples of recent conflicts. An investigation conducted by the International Federation on Human Rights revealed major health problems among communities living in the vicinity of Vale's coal-burning facilities and its preferred partner's pig iron plants in Brazil. The report also describes how Vale sidestepped environmental legislation in its attempts to secure authorization for its largest mining project (Carajas S11D) in the Brazilian Amazon.

Vale is responsible for a full 4% of Brazil's total CO<sub>2</sub> emissions and uses 1.2 billion cubic meters of water annually – roughly equivalent to the needs of 22 thousand people. In 2009, Vale dumped approximately 114 million cubic meters of industrial and oil-based effluents in rivers and oceans. These included leakages of toxic substances in Chile and New Caledonia that had disastrous consequences for indigenous peoples and traditional peasant communities.

Vale itself admitted in 2009 that it was a defendant in 111 lawsuits and the focus of 151 criminal investigations, largely related to violations of the rights of workers and affected communities. Despite paying a few minor fines, Vale's corporate image has so far emerged almost unscathed, due largely to extremely well-financed propaganda campaigns in the mainstream media.

## **Consequences**

In the case of Belo Monte, the continued development of the dam project, with active engagement by Vale, will result in the destruction of vast stretches of the Amazonian ecosystem. Eighty percent of the Xingu river, a major tributary of the Amazon, will be diverted into an artificial reservoir. Forty thousand people in neighboring areas will be directly affected, amongst them hundreds of indigenous people of various ethnicities, and river-dwellers who live along the 100-kilometer-long (62 miles) banks of the Xingu river. In addition to these direct effects of dam construction, increased social conflicts and environmental degradation can be expected as the result of such factors as increased migration, ephemeral employment in dam construction, land speculation, improved road access and availability of cheap energy for extractive industries. In general, the persistence of Vale's regressive policies towards workers, communities and the environment will have tremendous consequences in countries around the world.

## **Current Status and Demands on the Company**

The Belo Monte Dam construction must not be allowed to continue in blatant disregard for the rule of law, including the right to free, prior and informed consultations and consent among indigenous

peoples. Given Vale's pivotal role in the dam-building consortium NESAs, the corporation is an important campaign target, in which public scrutiny resulting from the Public Eye Award holds the potential to make an invaluable contribution. In a larger sense, Vale must at long last exercise effective social responsibility in Brazil and worldwide, halt the exploitation of people and the environment, and instead abide by laws and regulations. Although over 100 lawsuits and 150 investigations have been initiated against Vale, especially in relation to violation of workers' rights, judgments are rare and fines are usually minor. Stronger regulations that are monitored and enforced by the proper authorities are urgently needed. The Public Eye Award is tremendously relevant to the work of civil society coalitions in Brazil and around the world that are pressuring Vale to become truly accountable and for governments to enforce legislation regarding the corporations' responsibilities towards workers, communities and the environment.

### **Further Information**

Justiça nos Trilhos website:

[www.justicanostrilhos.org](http://www.justicanostrilhos.org)

Additional information in Portuguese:

[atingidospelavale.wordpress.com](http://atingidospelavale.wordpress.com)

International Rivers website:

[www.internationalrivers.org](http://www.internationalrivers.org)

Amazon Watch website:

[www.amazonwatch.org/](http://www.amazonwatch.org/)

Additional information in English:

[www.fairdealnow.ca](http://www.fairdealnow.ca)

[www.minesandcommunities.org](http://www.minesandcommunities.org)