



Laporan Keberlanjutan **2011** Sustainability Report

Responds to Challenges

Menanggapi Tantangan

2011 | Laporan Keberlanjutan
Sustainability Report

PT Vale Indonesia Tbk

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Sambutan [1.1] [1.2]

Message From CEO



Nico Kanter
Presiden Direktur
President Director

Every Improvement has its own challenge. However, there are things that will never change, which is our commitment to maintain the sustainability and conserve energy.

GREETINGS TO ALL STAKEHOLDERS,

This sustainability report is our commitment and efforts to continue providing information on the achievements and challenges during 2011. We disclose the circumstances and the Company's sustainability efforts to all of you, the stakeholders.

The year 2011 was a year full of dynamics and hard work for us at PT Vale Indonesia, Tbk. In October 2011, the Company officially changed its name after going through such a process and began to make differences, as well as evaluation of policies to adapt to the more stringent regulatory demands in the mining industry. There has not been much that we can do in two months, until December 2011, both from the economic, social and environmental performance. Overall economic performance has been disclosed in our annual report which is an integral part of this sustainability report.

Sustainability for us is to complete the mining activities in accordance with the contract work obtained from the Government, which will end in 2045. We are conducting mining operations in stages from start operating until mine closure in compliance with regulations and ensure that all who are around the company, including the stakeholders can live and thrive properly. The Company maintains its sustainable operations by conducting development activities with regard

SALAM BAGI PARA PEMANGKU KEPENTINGAN,

Laporan keberlanjutan ini merupakan komitmen dan usaha kami untuk tetap memberikan informasi tentang capaian dan tantangan selama tahun 2011. Kami mengungkapkan keadaan dan upaya terkait Keberlanjutan Perusahaan ini kepada Anda semua, para pemangku kepentingan.

Tahun 2011 adalah tahun yang penuh dinamika dan kerja keras bagi kami di PT Vale Indonesia, Tbk. Pada bulan Oktober 2011, Perusahaan resmi berubah nama setelah melalui proses sedemikian rupa dan segera melakukan perubahan, serta evaluasi kebijakan untuk menyesuaikan tuntutan peraturan di industri pertambangan yang semakin ketat. Belum banyak yang dapat kami perbuat dalam waktu dua bulan, hingga Desember 2011, baik dari kinerja ekonomi, sosial dan lingkungan. Kinerja ekonomi secara menyeluruh telah kami ungkapkan di laporan tahunan (*annual report*) yang merupakan bagian tak terpisahkan dari laporan keberlanjutan ini.

Keberlanjutan bagi kami adalah menyelesaikan kegiatan pertambangan sesuai dengan kontrak karya yang diperoleh dari Pemerintah, yaitu hingga tahun 2045. Kami melakukan usaha pertambangan secara bertahap dari mulai beroperasi hingga penutupan tambang sesuai peraturan yang berlaku dan memastikan bahwa semua yang berada disekitar perusahaan, termasuk para pemangku kepentingan dapat hidup dan berkembang dengan baik. Perusahaan menjaga keberlanjutan operasionalnya dengan melakukan kegiatan pembangunan yang memperhatikan kapasitas sumber daya

2011 was a year full of dynamics and hard work for us

manusia dan alam. Kegiatan ini merupakan kontribusi Perusahaan kepada masyarakat lokal, baik kontraktor maupun pemasok, tanpa mengabaikan keberadaan pemangku kepentingan lain.

Mengelola kontribusi bukanlah sesuatu yang mudah, di saat semua pemangku kepentingan mempunyai kebutuhan yang berbeda. Masyarakat di sekitar kami membutuhkan banyak hal yang tidak dapat dipenuhi oleh Pemerintah saja. Dukungan Perusahaan di sekitar masyarakat tersebut berada, termasuk keberadaan kami, menjadi sangat penting. Keadaan ini menjadi perhatian yang serius, di saat pola pikir masyarakat berbeda-beda dengan tekanan situasi yang dinamis. Disinilah kami akan tetap berperan sebaik mungkin, namun tetap memperhatikan kemampuan Perusahaan. Kami tidak mungkin memenuhi semua kebutuhan masyarakat, tetapi kami berupaya bekerjasama dengan Pemerintah Daerah untuk melakukan kegiatan yang pemberdayaan bagi mereka.

Selain itu, kami berencana untuk mengkaji kembali semua kebutuhan pemangku kepentingan, pengelolaan hubungan, serta pengembangan strategi kegiatan untuk masa depan dalam sebuah peta jalan (*road map*) yang mempunyai tujuan lebih jelas. Perwujudan rencana ini memerlukan upaya dan komitmen yang menyeluruh dari semua individu yang berada dalam Perusahaan, termasuk kesiapan dalam melakukan dan menjalani berbagai perubahan. Perubahan, tantangan dan capaian selama 2011 kami sajikan dalam laporan keberlanjutan untuk memberikan informasi bahwa kami siap dengan adanya perubahan untuk menjadi lebih baik lagi.

Salah satu bentuk komitmen kami dalam mewujudkan perubahan adalah investasi diberbagai bidang yang mencapai USD 2 milyar untuk tahun 2012 hingga 2017. Investasi ini tidak hanya untuk menjaga dan meningkatkan produksi, namun juga untuk tumbuh bersama masyarakat sekitar tanpa meninggalkan praktik pertambangan yang baik (*good mining*

to the capacity of manpower and natural resources. This activity is the Company's contribution to the local community, both contractors and suppliers, without neglecting the existence of other stakeholders.

Managing the contribution is not an easy task, when all stakeholders have different needs. The communities around us need a lot of things that can not be met by Government alone. Support of companies operating around the community, including our presence, becomes very important. This situation is a serious concern, at the time when public mindset vary with the pressure of a dynamic situation. This is where we will continue to play a role as best as we can, but still consider the ability of the Company. We can not possibly meet all the needs of the community, but we keep trying to work with local governments to carry out activities for their empowerment.

In addition, we plan to review all of stakeholders' needs, relationship management, and the development of strategies for future activities in a road map that have a more definite goal. Manifestation of this plan requires a thorough effort and commitment of all individuals within the Company, including the readiness to perform and undergo various changes. We present changes, challenges and achievements during 2011 in this sustainability report to provide information that we are ready with the changes to improve more.

One of our commitments to bringing about change is investment in various fields that reaches US\$2 billion for the years 2012 to 2017. These investments are not only to maintain and increase production, but also to grow together with

practices), ciri perusahaan tambang yang bertanggung jawab (*responsible mining company*), dan tata kelola perusahaan yang baik (*good corporate governance/GCG*).

Seiring dengan upaya untuk tumbuh bersama masyarakat, peningkatan komunikasi sudah dilakukan secara berkala dengan melibatkan Pemerintah Daerah. Saat ini sudah disetujui bahwa kegiatan pengembangan masyarakat (*community development/comdev*) akan berpijak pada 3 pilar yaitu penguatan kemandirian ekonomi rakyat (*livelihood*), pendidikan (*education*), dan kesehatan (*health*). Ketiga pilar ini menggantikan 6 pilar sebelumnya agar kegiatan *comdev* lebih terarah serta sejalan dengan program Pemerintah.

Selesaiannya pembangunan Pusat Listrik Tenaga Air (PLTA) Karebbe merupakan salah satu bentuk komitmen kami dalam mendukung upaya konservasi energi, terutama penggunaan listrik. Kami juga mendukung pengurangan pemanasan global dengan mengelola limbah, rencana mengelola air (*water treatment*), serta meneruskan pengukuran emisi. Konsep *clean mechanism development* (CDM) menjadi pertimbangan tersendiri bagi kami di masa depan.

Setiap upaya perbaikan tentu mempunyai tantangan. Demikian pula dengan keberadaan kami sebagai perusahaan tambang yang selalu berhubungan dengan perubahan peraturan. Rencana jangka panjang sering kali harus diubah karena perubahan iklim politik yang menyebabkan perubahan kebijakan. Terlebih, dinamika perubahan kebutuhan masyarakat dan fenomena alam sering kali tidak dapat diprediksi oleh Perusahaan. Salah satu hal yang selalu menjadi polemik adalah permintaan kerja dari masyarakat sekitar. Terbatasnya daya tampung tenaga kerja lokal menjadi persoalan tersendiri yang dialami oleh banyak perusahaan, termasuk kami yang berusaha meredam adanya gejolak ini di masyarakat. Untuk mengatasinya, Perusahaan kembali

community without compromising good mining practices, responsible mining company characteristic, and good corporate governance (GCG).

Along with efforts to grow with the community, communication has been intensified regularly by involving the local government. It has been agreed that the community development (*comdev*) will focus on three pillars, strengthening people economic independence (*livelihood*), education, and health. These three pillars replaced the previous six pillars to have more effective *comdev* activities and in line with the Government program.

Completion of the Karebbe Hydro Power Plant (PLTA) construction is one of our commitments to supporting the energy conservation, especially electricity usage. We also support the reduction of global warming with waste management, water treatment plans, as well as continue the measurement of emissions. The concept of clean development mechanism (CDM) will become our consideration in the future.

Each effort for improvement has its own challenge. Similarly, our existence as a mining company that is always subject to changes in regulations. Long-term plans often have to be changed due to political climate change that causes changes in policy. Moreover, the dynamics of the changing needs of society and the natural phenomenon are often unpredictable for the Company. One of the things that has always been debated is the employment demands from surrounding communities. The limited capacity to accommodate the local manpower is a particular problem experienced by many companies, including us, who have been trying to control the

bekerja sama dengan Pemerintah Daerah dengan menumbuhkan kesadaran akan pentingnya mewujudkan kemandirian ekonomi, serta meningkatkan kualitas pendidikan dan kesehatan.

Kami yakin bahwa tantangan juga menimbulkan kesempatan. Kami menanggapi kesempatan ini dengan bersikap positif pada setiap perubahan yang terjadi, membuat strategi baru dan meningkatkan komunikasi kepada semua pemangku kepentingan. Kami berharap, upaya ini mampu menumbuhkan kepercayaan yang semakin tinggi dari pemangku kepentingan atas keberadaan Perusahaan. Kepercayaan ini pulalah yang menjadikan kami dapat berkembang bersama dengan masyarakat sekitar, pemasok, kontraktor, investor, konsumen, pemerintah, serta menjaga keberlangsungan sumber alam.

Kami menyampaikan penghargaan dan ucapan terima kasih kepada semua pemangku kepentingan yang selama ini tetap mendukung keberadaan kami dan mau berubah bersama kami menuju masa depan yang lebih baik. Tentunya, upaya dan kerja keras menjadi semangat kami untuk mengubah setiap tantangan menjadi kesempatan.

Salam keberlanjutan,

Nico Kanter
Presiden Direktur
President Director

unrest within the community. To overcome this, the Company cooperates with Regional Governments to raise awareness of the importance of realizing economic independence and improve the quality of education and health.

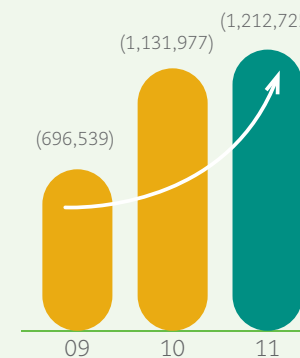
We believe that the challenges also create opportunities. We responded to this opportunity by being positive on any changes that occur, creating new strategies and improve communication to all stakeholders. We hope that these efforts are able to raise the stakeholders' confidence in the existence of the Company. This confidence is what makes us able to evolve along with the surrounding communities, suppliers, contractors, investors, consumers, government, and preserve the sustainability of natural resources.

We would like to express our appreciation and gratitude to all the stakeholders who have continued to support our presence and willing to change with us towards a better future. The efforts and hard work certainly become our spirit to change every challenge into an opportunity.

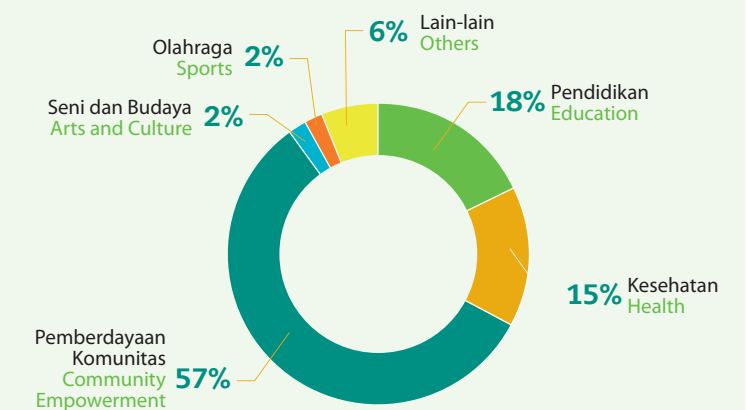
Pencapaian Program Utama

Highlights of Main Programs

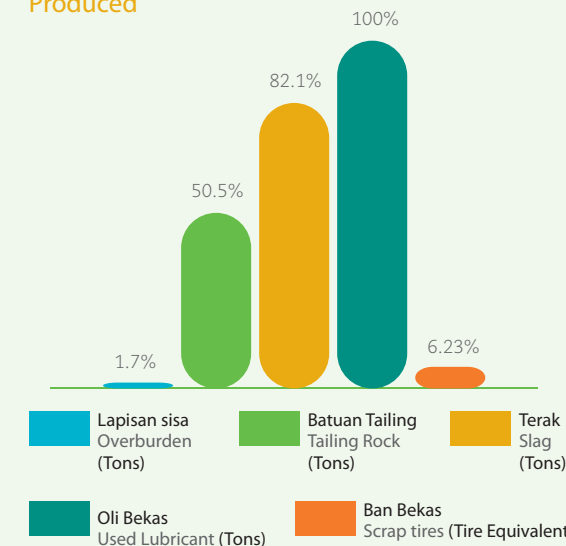
Total Distribusi Nilai Ekonomi
Total Economic Value Distributed



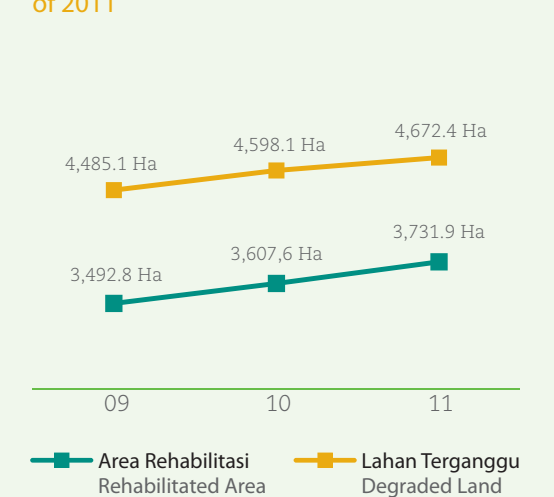
Distribusi Program CSR
CSR Program Distribution



Persentase Limbah yang dimanfaatkan Terhadap Total yang dihasilkan
Percentage of Reused Waste Toward Waste Produced



Luas Lahan yang Terganggu dan Area yang Direhabilitasi Hingga 2011
Area of Degraded and Rehabilitated Land As of 2011



Visi, Misi dan Nilai [4.8]

Vision, Mission and Values

Pada akhir tahun 2011, seiring perubahan dalam struktur organisasi Perusahaan, maka kami pun mengubah visi, misi dan nilai Perusahaan.

At the end of 2011, along with the changes in the organizational structure of the Company, we accordingly have changed our vision, mission and Company values.

Visi Kami Our Vision

Menjadi perusahaan sumber daya alam global nomor satu dalam menciptakan nilai jangka panjang, melalui keunggulan kinerja dan kepedulian terhadap manusia dan alam.

To be the number one global natural resources company in creating long-term value, through excellence and passion for people and the planet.

Misi Kami Our Mission

Mengubah sumber daya alam menjadi kemakmuran dan pembangunan yang berkelanjutan.

To transform natural resources into prosperity and sustainable development.

Nilai-nilai Kami Our Values

1. Keselamatan jiwa merupakan hal terpenting
2. Menghargai karyawan
3. Menghargai bumi kita
4. Melakukan hal yang benar
5. Bersama-sama menjadi lebih baik
6. Mewujudkan tujuan

1. Life is the most valuable matter
2. Valued our people
3. Valued our planet
4. Do the right thing
5. Togetherness for improvement
6. Making Reality

Penghargaan

Awards

[2.10]



Latihan Keselamatan Vale
Vale Safety Practice

31 Maret 2011

CSR Award.
Kategori Pemberdayaan Masyarakat.
Harian Seputar Indonesia.

March 31, 2011

CSR Award
Community Empowerment Category
Seputar Indonesia Daily

26 Mei 2011

SWA 100 Indonesia Best Wealth Creators 2011.
Berdasarkan Wealth Added Index (WAI).
Diberikan oleh Majalah SWA Sembada dan Stern
Stewart & Co

May 26, 2011

SWA 100 Indonesia Best Wealth Creators 2011.
Based on Wealth Added Index (WAI).
Awarded by SWA Sembada Magazine and Stern
Stewart & Co

31 Mei 2011

Penghargaan Indonesian Financial Review (IFR)
untuk Emiten Terbaik Indonesia 2010.
Kategori Pertambangan dan Energi.
Diberikan oleh Kelompok Tempo Media dan
Independent Research and Advisory Indonesia.

May 31, 2011

Indonesian Financial Review (IFR) Award for
Indonesia Best Listed Companies 2010.
Mining and Energy Category.
Awarded by Tempo Media Group and Independent
Research and Advisory Indonesia.

21 Desember 2011

Penghargaan Laporan Keberlanjutan Indonesia.
Kategori Implementasi Tanggung Jawab Sosial
Perusahaan dan Pembangunan Keberlanjutan.
Diberikan oleh National Center for Sustainability
Reporting (NCSR) bekerja sama dengan Asosiasi
Indonesia-Netherlands (INA), Institut Akuntansi
Manajemen Indonesia (IAMI) dan Asosiasi Emiten
Indonesia (AEI).

December 21, 2011

Indonesia Sustainability Reporting Award (ISRA)
Implementation of Corporate Social Responsibility
and Sustainable Development Category.
Awarded by National Center for Sustainability
Reporting (NCSR) in cooperation with Indonesia –
Netherlands Association (INA), Indonesian Institute
of Accounting Management (IAMI) and the
Indonesia Public Listed Companies Association
(AEI).

Pengantar Laporan

About This Report



Pemantauan lapangan
Area monitoring activity

Sebagai bentuk komitmen PT Vale Indonesia, Tbk. dalam melaksanakan tanggung jawab sosial perusahaan, maka kami kembali menerbitkan Laporan Keberlanjutan 2011 untuk yang ketiga kalinya. Materi dalam pelaporan ini mencakup data maupun informasi program dan kegiatan terkait pelaksanaan tanggung jawab sosial perusahaan dalam kurun waktu 1 Januari - 31 Desember 2011. Laporan ini adalah laporan tahunan yang merupakan kelanjutan dari Laporan Keberlanjutan 2010 yang diterbitkan pada bulan November 2010. [3.1] [3.2] [3.3]

Materi yang disampaikan dalam pelaporan ini telah mempertimbangkan prinsip materialitas. Dengan demikian data maupun informasi yang ditampilkan adalah yang relevan, penting, serta mempunyai dampak signifikan pada pengambilan keputusan terkait pelaksanaan upaya keberlanjutan. Upaya ini meliputi kinerja dan dampak ekonomi, lingkungan hidup, serta sosial. Kami berharap laporan ini dapat dimanfaatkan oleh segenap pemangku kepentingan, terutama pemegang saham, pemerintah pusat dan daerah, otoritas keuangan dan bursa saham, akademisi dan perguruan tinggi, organisasi non-pemerintah, maupun media massa. [3.5]

BATASAN PELAPORAN

Seluruh informasi dan data dalam pelaporan ini berasal dari wilayah operasi PT Vale di Provinsi Sulawesi Selatan, Sulawesi Tenggara, dan Sulawesi Tengah. Kegiatan di wilayah Tambang Bahodopi di Provinsi Sulawesi Tengah masih dalam pengembangan kelengkapan dokumen Analisis Mengenai

As a commitment of PT Vale Indonesia, Tbk. in implementing its corporate social responsibility, we publish the Sustainability Report 2011 for the third time. The material in this report covers data and information of corporate social responsibility programs and activities during January 1 to December 31, 2011. This report is an annual report which is a continuation of Sustainability Report 2010 which is published in November 2010. [3.1] [3.2] [3.3]

The material presented in this report have considered the principle of materiality. Thus, the data and information presented are relevant, important, and have significant impact on decision-making related to the implementation of sustainability efforts. These efforts include economic, environmental and social performance and impact. We hope this report can be useful to all stakeholders, especially shareholders, central and local governments, finance and stock exchange authorities, academics and universities, non-governmental organizations, and mass media. [3.5]

SCOPE OF THE REPORT

All information and data in this report are collected from PT Vale operations in the provinces of South Sulawesi, Southeast Sulawesi and Central Sulawesi. Activities in Bahodopi Mine area, Central Sulawesi Province, are still in the development stage of Environmental Impact Analysis (Amdal) document

Dampak Lingkungan (Amdal) dan kegiatan di Tambang Pomalaa di Provinsi Sulawesi Tenggara, masih dalam tahapan penyertaan jaminan reklamasi karena baru memasuki proses eksplorasi. Oleh karenanya kami membatasi lingkup pelaporan ini pada wilayah operasi Tambang Sorowako di Provinsi Sulawesi Selatan. [3.6] [3.7] [MM2]

Perubahan mendasar pada sistem kinerja yang berdampak pada pelaporan adalah penggunaan SAP ERP (Enterprise Resource Planning), yang mengintegrasikan sistem perusahaan secara terpadu. Sistem ini telah selesai pada November 2011 dan berdampak pada semua aktifitas perusahaan yang mulai berubah sesuai dengan implementasi SAP. Namun demikian, sedapat mungkin Kami tetap mengacu pada pedoman dari Global Reporting Initiatives (GRI) dan Laporan Tahunan, sehingga data dan informasi yang disajikan dari periode sebelumnya tetap ditampilkan kembali untuk memberikan gambaran mengenai kinerja keberlanjutan Perusahaan. [3.8] [3.11]

Laporan Keberlanjutan ini disusun menggunakan protokol indikator dalam *Sustainability Reporting Guidelines* (SRG) versi 3.1 yang diterbitkan oleh GRI. Kami juga menyertakan indikator berdasarkan suplemen khusus sektor pertambangan dan logam (MMSS/*Mining and Metals Sector Supplement*), sehingga perhitungan maupun sajian informasi dalam laporan ini mengacu pada indikator keduanya, walaupun secara internal, kami mempunyai dokumentasi global untuk semua perusahaan grup Vale, yaitu GRI Sharepoints. [3.9]

Setiap informasi yang memenuhi indikator dalam GRI maupun MMS, ditampilkan dengan menyertakan tanda khusus berupa angka di dalam kurung dengan warna hijau. Pada bagian akhir juga disertakan tabulasi indeks GRI dilengkapi tingkat aplikasi dan nomor halaman, sehingga memudahkan pembaca untuk memahami topik dalam Laporan Keberlanjutan ini. [3.12]

completion and activities in Pomalaa Mine, Southeast Sulawesi Province, are still in the stage of reclamation guarantee submission as it had recently entered the exploration process. Therefore, we limit the scope of this report on Sorowako Mine operating areas in South Sulawesi Province. [3.6] [3.7] [MM2]

Fundamental change in the performance system that has an impact on the reporting is the application of SAP ERP (Enterprise Resource Planning), which integrate the company systems. The system has been completed in November 2011 and marked the changes in company's entire activities according to the SAP implementation. However, based on circumstances we still refer to the guidelines of the Global Reporting Initiatives (GRI) and the Annual Report, so that the data and information that have been presented from prior periods still can be restated to provide an overview of the Company's sustainability performance. [3.8] [3.11]

This Sustainability Report was prepared with the application of indicator protocol in the Sustainability Reporting Guidelines (SRG) version 3.1 issued by GRI. We also included Mining and Metals Sector Supplement (MMSS), so the calculation and presentation of information in this report refer to both indicators, although internally, we have a global documentation for the whole Vale companies, the GRI Sharepoints. [3.9]

Any information that compatible to the GRI indicators or MMS, is signed by special marks in the form of green numeric character with brackets. At the last part, the GRI index tabulation is also included application level and page numbers, in order to make it easier for the readers understand the topics of this Sustainability Report. [3.12]

We also include revision of data and information that previously presented in the 2010 Sustainability Report, accompanied by subsequent re-statement. This revision is

presented to improve the quality of information, particularly because of there is a significant change in operational systems, which is the implementation of the SAP system that still in period of transition. [3.10]

ASSURANCE POLICY [3.13]

We have yet to conduct assurance for this report. However the application level of this report towards GRI 3.1 is verified by an independent party, the National Center for Sustainability Reporting (NCSR). Results of verification states that sustainability reporting is at the A level.

We are looking forward to your critics, suggestion, and feedback, please be submitted to:

Kami menyertakan pula perbaikan data maupun informasi yang sebelumnya sudah disampaikan dalam Laporan Keberlanjutan 2010, disertai pengulangan pernyataan (*re-statement*) yang mengikutinya. Perbaikan ini dilakukan untuk meningkatkan kualitas informasi, terutama karena adanya perubahan sistem operasional secara signifikan, yaitu implementasi sistem SAP yang masih dalam masa transisi. [3.10]

KEBIJAKAN PENJAMINAN [3.13]

Kami belum melakukan penjaminan (*assurance*) atas laporan ini. Namun demikian, tingkat aplikasi laporan ini terhadap GRI 3.1 diverifikasi oleh pihak independen, yaitu National Center for Sustainability Reporting (NCSR). Hasil verifikasi menyatakan bahwa laporan keberlanjutan ini berada pada level A.

Kami mengharapkan kritik, saran, dan masukan yang dapat disampaikan

Corporate Communications [3.4]
PT Vale Indonesia Tbk

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INILAH KAMI: PT VALE INDONESIA, Tbk.

ABOUT US, PT VALE INDONESIA, Tbk.



Area Vale
Vale Area

Bulan Oktober menjadi saat yang istimewa di sepanjang tahun 2011. Para pemegang saham Perseroan menyetujui perubahan nama PT International Nickel Indonesia, Tbk. atau dulu dikenal dengan Inco, menjadi PT Vale Indonesia, Tbk., atau PT Vale. [2.1]

Perubahan ini merupakan langkah evolusi Perusahaan agar lebih sejalan dengan operasi Vale lainnya di seluruh dunia, sekaligus mencerminkan posisinya sebagai bagian dari perusahaan pertambangan kedua terbesar di dunia. Dengan diimplementasikannya sistem SAP, maka banyak perubahan terjadi. Baik mengenai prosedur, sistem dokumentasi, maupun struktur organisasi. Perpindahan personal dari beberapa divisi maupun ruang lingkup pekerjaan menjadikan Perusahaan mengalami masa transisi. Hal ini mengakibatkan banyak penyesuaian pencatatan yang membutuhkan waktu lebih lama sehingga secara langsung menjadi tantangan pada saat penulisan laporan keberlanjutan kali ini. [2.9] [3.7]

Perubahan lain yang terjadi dan masih akan dilakukan dapat kami sampaikan secara singkat, yaitu: [2.9]

1. Penegasan kegiatan pengembangan masyarakat (comdev) menjadi 3 pilar, dari 6 pilar, dengan penekanan pada pembuatan strategi dan arah kegiatan.
2. Perubahan struktur organisasi dan lingkup pekerjaan yang disertai dengan perubahan skema pemberian imbal jasa.
3. Perubahan sistem operasional dari eclipse menjadi SAP ERP.

October is a special moment in the year of 2011. The Company Shareholders has approved the change of name from PT International Nickel Indonesia, Tbk. or previously identified as Inco, becoming PT Vale Indonesia, Tbk., or PT Vale. [2.1]

This change is an evolution step of the Company to be more in line with other Vale operations worldwide and at the same time reflected its position as part of the second largest mining company in the world. With the SAP system implementation, many changes have been taking place, including the procedures, documentation system, and organizational structure. Transfer of personnel in some divisions and scope of work led the company into transition period. This makes a lot of adjustment records that required more time so that it becomes a direct challenge during the preparation of this sustainability report. [2.9] [3.7]

Other adjustments that are still ongoing and taking process are briefly outlined as follows: [2.9]

1. Focusing on community development activities (comdev) into three pillars, from six pillars, with an emphasis in the strategy making and direction of the activities.
2. Adjustment in organizational structure and scope of work are followed by adjustment in compensation schemes.
3. Changing the operational system from eclipse into SAP ERP.

There are adjustment, so the Company can be more in line with Vale worldwide

Sejak didirikan pada bulan Juli 1968, PT Vale beroperasi di bawah perjanjian Kontrak Karya dengan Pemerintah Indonesia untuk mengeksplorasi, menambang, mengolah dan memproduksi nikel. Luas areal Kontrak Karya secara keseluruhan adalah 190.510 hektar.

Since the establishment in July 1968, PT Vale has been operating under the Contract of Work agreement with the Government of Indonesia to explore, mine, process and produce nickel. The total area of CoW is 190,510 hectares.

Cakupan Kontrak Karya PT Vale Indonesia Tbk.
Scope of PT Vale Indonesia Tbk. Contract of Work

PROVINSI	BLOK KONSESI CONSESSION BLOCK	LUAS LAHAN (HA) LAND AREA (HA)	PROVINCE
Sulawesi Tengah (Total: 36,635.36 Ha or 19.23%)	Kolonodale	4,512.35	Central Sulawesi
	Bahodopi	32,123.01	
	Sorowako – Towuti	108,377.25	
Sulawesi Selatan (Total: 118,386.45 Ha or 62.14%)	Matano	6,176.48	South Sulawesi
	Bulubalang	2,249.33	
	Lingke	1,584.39	
Sulawesi Tenggara (Total: 35,486.35 Ha or 18.63%)	Latao	3,148.11	Southeast Sulawesi
	Matarape	1,679.87	
	Pomalaa	20,286.19	
TOTAL	Suasua	10,372.68	TOTAL
		190,509.66	

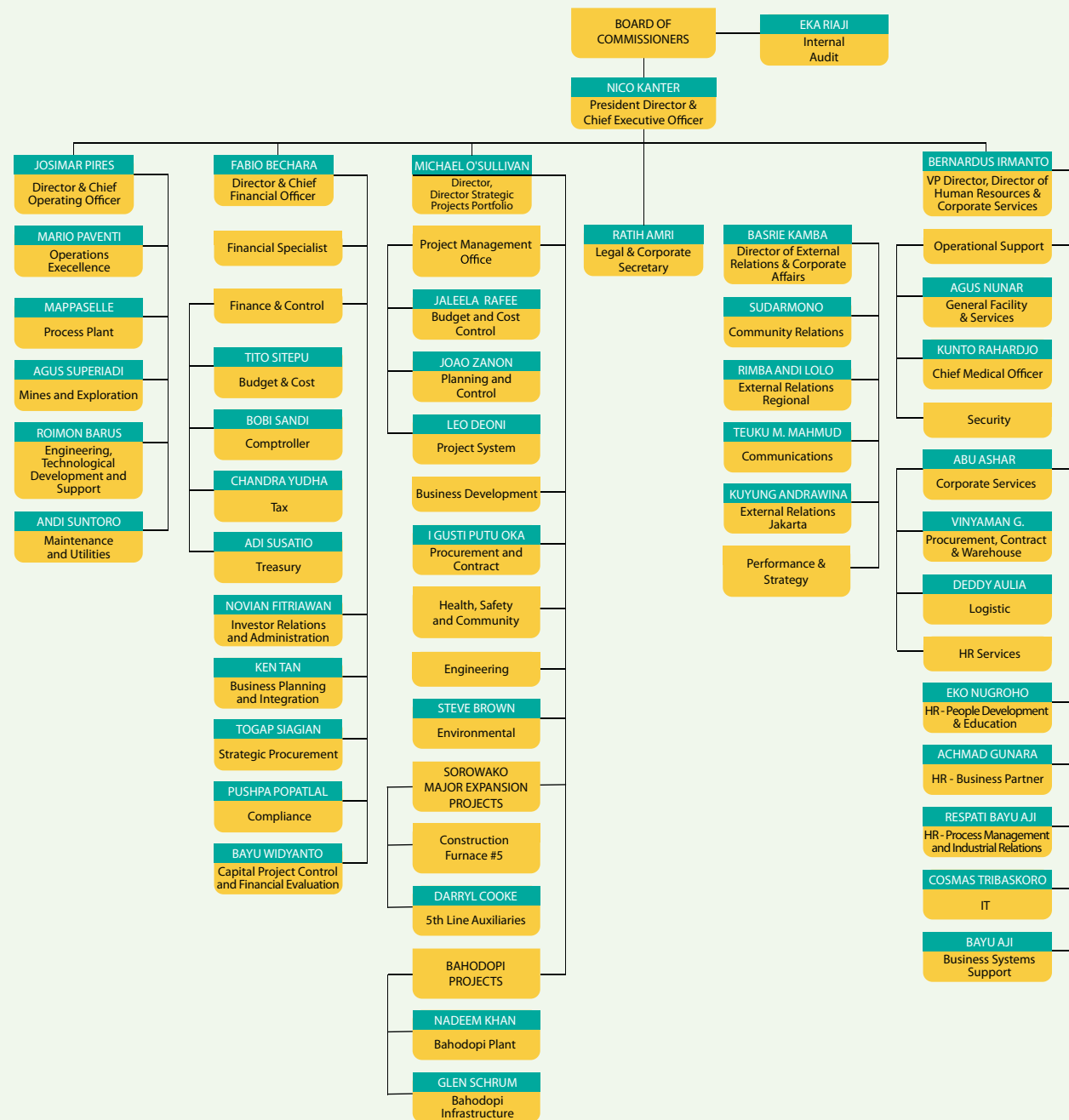


Perusahaan beroperasi di Indonesia dengan wilayah penambangan yang berada di Sorowako, Kecamatan Nuha Kabupaten Luwu Timur, Sulawesi Selatan. Tambang di Bahodopi, Kabupaten Morowali, Provinsi Sulawesi Tengah dan tambang di Pomalaa, Kabupaten Kolaka, Sulawesi Tenggara masih berada dalam tahap pengembangan, untuk memastikan bahwa keberadaan nikel di wilayah ini dapat dimanfaatkan. Dengan demikian rencana penutupan tambang telah dipersiapkan di Sorowako, Sulawesi Selatan. Pengajuan rencana penutupan tambang ini sudah diajukan ke Pemerintah pada bulan Juni 2011 dan kini sedang menunggu persetujuan. [2.5] [MM10] [MM11]

Operation of The Company in Indonesia with mining area is located in Sorowako, Nuha District, East Luwu Regency, South Sulawesi. The mines in Bahodopi, Morowali Regency, Central Sulawesi Province and Pomalaa, Kolaka Regency, Southeast Sulawesi are still under development, to ensure that the presence of nickel in the areas is able to be utilized. Therefore the mine closure plan is prepared in Sorowako, South Sulawesi. The mine closure plan proposal has been submitted to the Government in June 2011 and is now awaiting approval. [2.5] [MM10] [MM11]

<p>Kantor Pusat PT Vale Indonesia, Tbk.: [2.4] Plaza Bapindo, Citibank Tower, Lantai 22 Jalan Jend. Sudirman Kav. 54-56, Jakarta, 12190 Indonesia Telp: +62-21-524 9000 Faks: +62-21-524 9020</p>	<p>Head Office PT Vale Indonesia, Tbk.: [2.4] Plaza Bapindo, Citibank Tower, 22nd Floor Jalan Jend. Sudirman Kav. 54-56, Jakarta, 12190 Indonesia Phone: +62-21-524 9000 Fax: +62-21-524 9020</p>
<p>Kantor operasional: Plant Site, Sorowako Sulawesi Selatan, 92984.</p>	<p>Operational office: Plant Site, Sorowako South Sulawesi, 92984.</p>
<p>Kantor lain: Jl. Somba Opu 281 PO. BOX 1143, Makassar, Sulawesi Selatan 90001</p>	<p>Other office: Jl. Somba Opu 281 PO. BOX 1143, Makassar, South Sulawesi 90001</p>

Struktur Organisasi [2.3]
Organization Structure

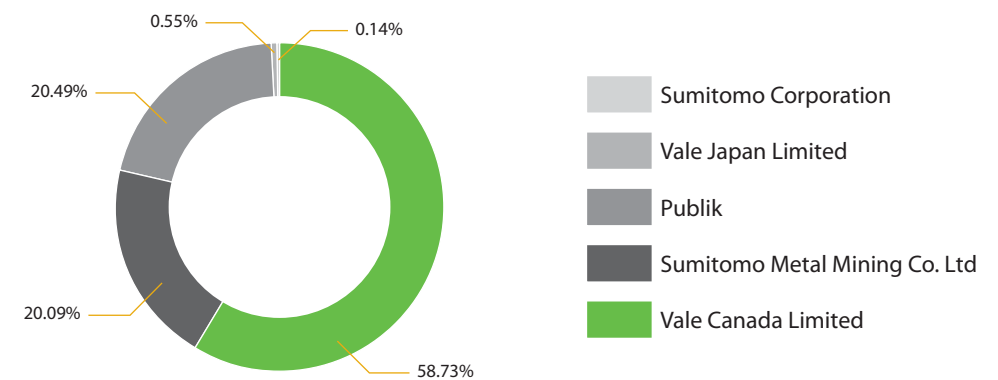


KEPEMILIKAN SAHAM

Pemegang saham mayoritas PT Vale Indonesia, Tbk. hingga akhir periode pelaporan adalah: [2.6]

SHARE HOLDINGS

The majority shareholders of PT Vale Indonesia, Tbk. until the end the reporting period are as follows: [2.6]



OPERASIONAL DAN PEMASARAN

PT Vale Indonesia, Tbk. melakukan penambangan bijih laterit dan pengolahannya. Bijih yang telah ditambang selanjutnya diproses di pabrik pengolahan untuk memperoleh produk nikel dalam *matte*, yakni produk dengan kandungan rata-rata 78% nikel dan 20% sulfur. [2.2]

OPERATIONS AND MARKETING

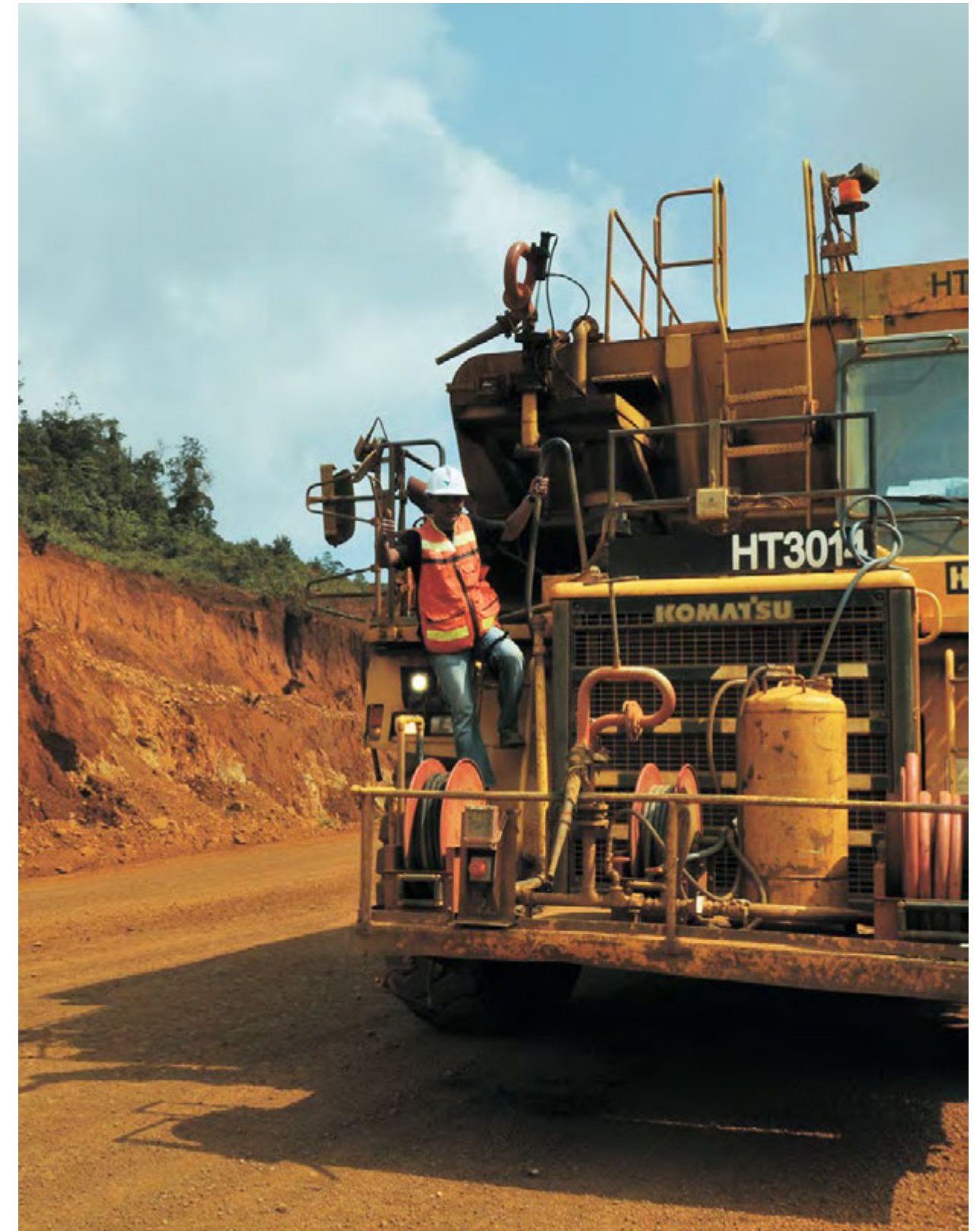
PT Vale Indonesia, Tbk. operates laterite ore mining and processing. The ore that has been mined then processed at the plant to produce nickel in *matte* product, a product that contains an average of 78% nickel and 20% sulfur. [2.2]

The entire production is sold through long-term purchase agreement into two majority shareholders, Vale Canada Limited and Sumitomo Metal Mining Co. Ltd.. [2.7]

Seluruh produksi dijual melalui perjanjian pembelian jangka panjang kepada dua pemegang saham terbesar yakni Vale Canada Limited dan Sumitomo Metal Mining Co. Ltd. [2.7]

Skala Pelaporan [2.8] Reporting Scale

Uraian Description	Satuan Unit	2009	2010	2011
Jumlah Karyawan Tetap Number of Permanent Employees	Orang People	3,319	3,136	3210
Total Pendapatan Bersih Total Net income	Ribu US\$ Thousand US\$	170,417	437,363	333,763
Total Kapitalisasi Total Capitalization	Ribu US\$ Thousand US\$			
1. Utang Debt		141,264	140,561	292,153
2. Ekuitas Equity		1,581,306	1,679,840	1,769,169
Kuantitas Produk Terjual Sold of Product Quantity	Metrik Ton	66,890	75,839	66,900
Aset Assets	Ribu US\$ Thousand US\$	2,190,235	2,027,556	2,421,362
Kepemilikan Saham Share Holdings	%			
1. Vale Canada Limited		58.73	58.73	58.73
2. Sumitomo Metal Mining Co., Ltd		20.09	20.09	20.09
3. Publik Public		20.14	20.14	20.49
4. Vale Inco Japan Limited		0.55	0.55	0.55
5. Mitsui & Co Ltd		0.35	0.35	-
6. Sumitomo Corporation		0.14	0.14	0.14



Area Tambang Vale | Vale Mining Area



Karyawan Vale
Vale Employees

Tata Kelola Berkelanjutan Sustainable Governance

Through Management team work, we provide returns to shareholders, and ensure the compliance with environmental preservation and social responsibility commitments

Penerapan kebijakan dan praktik tata kelola perusahaan dan operasional menjadi fondasi komitmen Perseroan untuk melakukan kegiatan operasional yang beretika dan berintegritas tinggi.

Dalam upaya pencapaian hal tersebut, kami telah melakukan beberapa perubahan terkait kebijakan dan pelaksanaan tata kelola untuk meningkatkan efektivitas bisnis dan operasional Perseroan. Melalui perubahan yang telah dilakukan, dipastikan bahwa tujuan strategis dalam praktik menjaga kelestarian lingkungan hidup, serta pelaksanaan kegiatan tanggung jawab sosial perusahaan (*corporate social responsibility* atau CSR) dapat tercapai.

ORGAN PERSEROAN

Merujuk pada Undang-Undang No.40 Tahun 2007 tentang Perseroan Terbatas, maka organ untuk mendukung pelaksanaan tata kelola perusahaan terdiri atas: Rapat Umum Pemegang Saham (RUPS), Dewan Komisaris dan Direksi. [4.1]

RUPS merupakan organ Perseroan tertinggi dan menjadi mekanisme bagi para pemegang saham untuk menyampaikan rekomendasi, serta menyetujui penetapan/pemberhentian Dewan Komisaris maupun Direksi. Semua pemegang saham memiliki kesempatan yang setara dalam menyampaikan rekomendasi. [4.4]

Sepanjang tahun 2011, kami menyelenggarakan beberapa RUPS. Salah satunya pada 27 September 2011, Perseroan menyelenggarakan Rapat Umum Luar Biasa Pemegang Saham (EGMS), yang menerima pengunduran diri Clayton Allen Wenas dan mengangkat Nico Kanter sebagai Presiden Direktur, serta penunjukkan Arief T. Surowidjojo sebagai Wakil Presiden Komisaris dan Komisaris Independen.

Implementation of policies and practice of corporate governance and operational is the foundation of the Company's commitment to conduct ethical and high integrity operations.

As an effort to achieve this, we have made some adjustments in policy and corporate governance implementation to rise the Company effectiveness of business and operations. Through the changes that have been made, we also ensure that the strategic goals of environmental preservation practices, as well as the implementation of corporate social responsibility (CSR) can be achieved.

CORPORATE BODIES

Referring to the Law No. 40 of 2007 on Limited Liability Company, the instrument that support the implementation of corporate governance are General Meeting of Shareholders (GMS), the Board of Commissioners and Board of Directors. [4.1]

GMS is the supreme instrument of the Company and a mechanism for shareholders to submit recommendations and approving the determination/dismissal of the Board Commissioners and Board of Directors. All shareholders have equal opportunities in delivering recommendations. [4.4]

During 2011, we held several GMS. One of them was held on September 27, 2011, when the Company held an Extraordinary General Meeting of Shareholders (EGMS), which accepted the resignation of Clayton Allen Wenas and appointed Nico Kanter, as President Director, and also appointed Arief T. Surowidjojo as Vice President Commissioner and Independent Commissioner.

Penentuan dan penetapan Dewan Komisaris dan Direksi dalam RUPS dilakukan berdasarkan Anggaran Dasar Perseroan. Vale Canada Limited, sebagai pemegang saham utama mengumumkan dan mengajukan nama-nama calon untuk diusulkan dan ditetapkan dalam RUPS tersebut. [4.7]

Organ Perseroan lain adalah Dewan Komisaris dan Direksi. Sesuai prinsip dwitarian yang diatur dalam Undang-Undang Perseroan Terbatas, PT Vale memastikan adanya pemisahan fungsi, tugas maupun kewenangan yang tegas antara Dewan Komisaris dan Direksi. Dengan demikian tidak ada Dewan Komisaris yang merangkap sebagai Direksi. [4.2] [4.3]

Determination and appointment of the Board of Commissioners & Board of Directors in the GMS are initiated pursuant to the Articles of Association of the Company. Vale Canada Limited, as a majority shareholder announced and proposed the names of candidates to be nominated and determined as stated in the GMS. [4.7]

The other corporate instruments are Board of Commissioners and Board of Directors. The Company ensures the distinct separation of functions, duties and authorities between the Boards. Thus, there is no member of Board of Commissioners who serves concurrently in the Board of Directors. [4.2] [4.3]



Kegiatan Rapat | Meeting Activities

DEWAN KOMISARIS

Fungsi utama Dewan Komisaris adalah melakukan pengawasan atas Direksi dan menyediakan penatalayanan secara menyeluruh atas bisnis dan urusan Perseroan lainnya. [4.1]

Anggaran Dasar menetapkan bahwa Dewan Komisaris harus terdiri minimal 10 dan tidak lebih dari 15 anggota. Saat ini Dewan Komisaris berjumlah 9 orang. Sebanyak 2 orang merupakan Komisaris Independen, sesuai dengan undang-undang dan peraturan pasar modal Indonesia. [4.1]

Susunan Dewan Komisaris Board Of Commissioners Composition

Presiden Komisaris	RICARDO R. DE CARVALAHO	President Commissioner
Wakil Presiden Komisaris dan Komisaris Independen	ARIEF T. SUROWIDJOJO	Vice President Commissioner and Independent Commissioner
Komisaris Independen	IRWANDY ARIEF	Independent Commissioner
Komisaris	TAKESHI KUBOTA	Commissioner
Komisaris	HARUMASA KUOKAWA	Commissioner
Komisaris	JENNIFER MAKI	Commissioner
Komisaris	PETER POPPINGA	Commissioner
Komisaris	ARIF S. SIREGAR	Commissioner
Komisaris	MARK TRAVERS	Commissioner

Dewan Komisaris dibantu dua Komite dalam menjalankan peran penatalaksanaan Perseroan, yakni Komite Audit dan Komite Tata Kelola. Setiap Komite membahas permasalahan dalam lingkup kerja sesuai piagamnya dan bertanggung jawab kepada Dewan Komisaris. [4.1]

BOARD OF COMMISSIONERS

The main function of the Board of Commissioners is to supervise the Board of Directors and provide overall stewardship of the business and other affairs of the Company. [4.1]

Articles of Association stipulated that the Board of Commissioners shall comprise at least 10 up to 15 members. Currently, the Board of Commissioners has 9 members. Two members are independent commissioners, in accordance with the Indonesian capital market laws and regulations. [4.1]

The Board of Commissioners is assisted by two committees in carrying out the management role of the Company, the Audit Committee and the Governance Committee. Each committee addresses issues in the scope of work as chartered and be responsible to the Board of Commissioners. [4.1]

DIREKSI

Direksi bertanggung jawab atas pengelolaan Perseroan secara efektif, efisien, dan berhati-hati, serta tunduk pada pengawasan Dewan Komisaris. Direksi bersama tim manajemen bekerja tekun untuk menjalankan rencana strategis Perseroan, memberikan tingkat pengembalian yang tinggi kepada pemegang saham, dan memastikan pemenuhan komitmen terhadap pelestarian lingkungan hidup serta tanggung jawab sosial. [4.1]

Anggaran Dasar menetapkan bahwa Perseroan dikelola oleh Direksi yang minimum berjumlah 3 dan tidak lebih dari 10 anggota.

Susunan Dewan Direksi Board Of Directors Composition

Presiden Direktur	NICO KANTER	President Director
Wakil Presiden Direktur	BERNARDUS IRMANTO	Vice President Director
Direktur	JOSIMAR PIRES	Director
Direktur	MICHAEL O'SULLIVAN	Director
Direktur	FABIO BECHARA	Director

Dewan Komisaris dan Direksi secara rutin menggelar rapat, baik masing-masing maupun bersama. Melalui mekanisme rapat, Dewan Komisaris juga melakukan pemantauan dan evaluasi atas kinerja Direksi terhadap aspek perekonomian, lingkungan dan tanggung jawab sosial. Selama tahun 2011, Dewan Komisaris menyelenggarakan 3 kali rapat dan Direksi menggelar 17 kali. [4.9] [4.10]

BOARD OF DIRECTORS

The Board of Directors is responsible for managing the Company in effective, efficient, and prudent manner, and subject to the supervision of the Board Commissioners. The Board of Directors together with the management team work conscientiously to execute the Company's strategic plan, providing high returns to shareholders, and ensure compliance with environmental preservation and social responsibility commitments. [4.1]

Articles of Association stipulates that the Company is managed by a Board of Directors that consists of 3 up to 10 members.

The Board of Commissioners and Board of Directors hold regular meetings, either individually or collectively. Through the meeting mechanism, the Board of Commissioners also monitors and evaluates the performance of the Board Directors in the aspects of economy, environment and social responsibility. During 2011, the Board of Commissioners held three meetings and the Board of Directors held 17 meetings. [4.9] [4.10]

Untuk memastikan pelaksanaan tanggung jawab sosial, sejak tahun 2010 Perseroan telah menggunakan metode Analisa Proyek Vektorial (VPA/*Vectorial Project Analysis*). Metode ini diharapkan dapat mengukur tingkat keberhasilan maupun potensi untuk melanjutkan setiap program keberlanjutan. Uji coba metode VPA dilakukan di Kecamatan Wasuponda dan Kecamatan Towuti, di Kabupaten Luwu Timur, dan hasilnya sedang dievaluasi oleh Direksi untuk disesuaikan dengan kebutuhan. [4.9] [4.10]

PT Vale memberikan kesempatan dan dukungan pada Direksi untuk mengembangkan serta meningkatkan ketrampilan. PT Vale juga memastikan hanya praktik manajemen terbaik yang dilaksanakan. Untuk itu, Direksi berpartisipasi pada berbagai program, diantaranya menghadiri : [4.9]

- Konferensi *base metals*.
- Konferensi pertambangan dan komoditas.
- Konferensi dan pelatihan keuangan.
- Konferensi sumber daya manusia internasional.

KOMPENSASI DAN REMUNERASI [4.5]

Perseroan menanggung seluruh biaya perjalanan, akomodasi dan biaya lain yang timbul terkait rapat Komisaris Independen, dan Dewan Komisaris. Rentang kompensasi anggota Dewan Komisaris adalah 100.000-200.000 dolar AS per tahun, sedangkan Direksi adalah 100.000-300.000 dolar AS. Total kompensasi dan tunjangan Dewan Komisaris dan Direksi adalah 6 juta dolar AS dan 2 juta dolar AS. Besaran tersebut merupakan 5% dan 3% dari total biaya karyawan tahun 2011 dan 2010.

To ensure the implementation of corporate social responsibility, since 2010 the Company has been using the Vectorial Project Analysis (VPA) method. This method is expected to measure the level of success and the potential to continue any sustainability programs. Tests of VPA method have been conducted in Wasuponda and Towuti districts, East Luwu Regency, and the results are being evaluated by the Board of Directors according to needs. [4.9] [4:10]

PT Vale provides opportunities and support to the Board of Directors to develop and enhance their skills. The Company also ensures that only the best management practices are implemented. Therefore, the Board of Directors participates in various programs, includes attending: [4.9]

- Base metal conference.
- Mining and commodities conference.
- Financial conference and training.
- International human resources conference.

COMPENSATION AND REMUNERATION [4.5]

The Company covered the whole costs of travel, accommodation and other costs incurred related to Independent Commissioners meetings, and the Board of Commissioners. Range of compensation for Commissioners is US\$100,000 to 200,000 per year, while the Board of Directors is US\$100,000 to 300,000. Total compensation and benefits for the Board of Commissioners and Board of Directors are US\$6 million and US\$2 million respectively. The amount is 5% and 3% of the total employee costs in 2011 and 2010.



Karyawan Vale | Vale Employees

KOMITMEN PADA INISIATIF EKSTERNAL [4.12]

Salah satu wujud pelaksanaan tata kelola perusahaan adalah komitmen terhadap ketentuan/inisiatif sesuai standar internasional. Selama periode pelaporan, Perseroan telah mengadopsi beberapa ketentuan/inisiatif eksternal bertaraf internasional, di antaranya:

- Sertifikasi ISO 9001:2000 tentang Sistem Manajemen mutu (Quality Management System)
- Sertifikasi ISO 17025 tentang Standar Penentuan Kalibrasi (Competency Calibration Standard)
- Sistem Manajemen Lingkungan Vale (*Environmental Management System/EMS*) berdasarkan persyaratan ISO 14001

KEANGGOTAAN ORGANISASI [4.13]

Sampai akhir periode pelaporan, PT Vale tercatat sebagai anggota dalam sejumlah organisasi, di antaranya Indonesian Mining Association (IMA) dan ASEAN Federation of Mining (AFMA). Selain itu, kami juga mendukung karyawan untuk aktif berpartisipasi dalam berbagai organisasi profesi pertambangan, seperti Perhapi (Perhimpunan Ahli Pertambangan Indonesia).

COMMITMENT TO EXTERNAL INITIATIVES [4.12]

Another type of corporate governance implementation is a commitment to the international standard of provisions/initiatives. During the reporting period, the Company has adopted several international provisions/external initiatives, including:

- ISO 9001:2000 Certification on Quality Management System
- ISO 17025 Certification on Competency Calibration Standard
- Vale Environmental Management Systems (EMS) based on the requirements of ISO 14001

ORGANIZATION MEMBERSHIP [4.13]

By the end of the reporting period, PT Vale is listed as members in several organizations, including the Indonesian Mining Association (IMA) and the ASEAN Federation of Mining (AFMA). In addition, we also support our employees to actively participate in various mining professional organizations, such as Perhapi (the Association of Indonesian Mining Professionals).

ETIKA, TRANSPARANSI DAN KEPATUHAN

Salah satu aspek penting dalam mewujudkan tata kelola perusahaan adalah pencegahan terjadinya benturan kepentingan. Upaya tersebut dilaksanakan dengan menerapkan Kode Etik Perilaku, sebagai acuan bagi seluruh karyawan dan semua pemangku kepentingan dalam menjalankan kegiatan usaha serta membangun iklim bisnis yang beretika. [4.6]

Sebagai kelengkapan, kami cantumkan kebijakan *whistle-blower* dalam Kode Etik Perilaku, disosialisasikan kepada seluruh karyawan agar melaporkan bila ada potensi benturan kepentingan. Setiap tahun, seluruh karyawan wajib menyerahkan pernyataan tentang benturan kepentingan. [SO3]

PENCEGAHAN DAN PENGELOLAAN RISIKO [4.11]

PT Vale memiliki Tim Manajemen Risiko yang mengevaluasi dan mengidentifikasi semua risiko signifikan, termasuk menentukan pengendalian yang tepat untuk mengatasinya. Evaluasi ini menjadi dasar dari rencana manajemen risiko yang berkelanjutan. Adapun risiko yang dihadapi Perseroan, misalnya risiko struktural, kontrak karya, peraturan, harga nikel, cadangan dan eksplorasi, serta otonomi daerah.

PEMANGKU KEPENTINGAN

Perseroan belum secara khusus melakukan penelitian untuk mengidentifikasi pemangku kepentingan utama Perseroan, namun sudah merencanakannya di tahun 2012. Dari evaluasi internal yang dilakukan, saat ini kami menetapkan beberapa pemangku kepentingan yang secara langsung maupun tidak langsung, dapat mempengaruhi dan terpengaruh atas keberadaan PT Vale. [4.15]

ETHICS, TRANSPARENCY AND COMPLIANCE

One of important aspects in achieving good corporate governance is to prevent conflicts of interest. The effort is realized by applying the Code of Conduct as a reference for all employees and all stakeholders in carrying out business activities as well as building an ethical business climate. [4.6]

As a complementary, we attached whistle-blower policy in the Code of Conduct, socialized to all employees to file a report when there is a conflict of interest potential. Every year, all employees are required to submit a statement on conflicts of interest. [SO3]

PRECAUTIONARY AND RISK MANAGEMENT [4.11]

PT Vale has a Risk Management Team to evaluate and identify all significant risks, including determining the appropriate control measures to address them. This evaluation is the basis for sustainable risk management plan. The risks faced by the Company, including structural risk, contract of work, regulatory, nickel prices, reserves and exploration, as well as regional autonomy.

STAKEHOLDERS

The Company has not specifically conduct a research to identify the key stakeholders of the Company, but it had been planned for 2012. Based on internal evaluation conducted, we have identified some stakeholders who directly or indirectly, may affect and be affected by the presence of PT Vale. [4:15]

Every year, all employees are required to submit a statement on conflicts of interest.

Para pemangku kepentingan tersebut adalah: [4.14]

1. Pemegang saham.
2. Karyawan dan serikat pekerja.
3. Kontraktor dan pemasok.
4. Pemerintah pusat dan daerah.
5. Pengelola bursa saham.
6. Masyarakat lokal.
7. Kreditor.
8. Media.
9. Organisasi Non-Pemerintah (Ornop)

Perusahaan berupaya memenuhi kebutuhan pemangku kepentingan, dengan melakukan pendekatan rutin, diantaranya: [4.16] [4.17]

1. Menyusun dan menyampaikan Laporan Tahunan, Laporan Keberlanjutan, serta laporan atau publikasi lain yang memberikan informasi perkembangan dan kinerja Perseroan.
2. Mengadakan dialog efektif secara berkala, baik yang bersifat diskusi, konsultasi atau dengar pendapat, terutama dengan masyarakat dan pemerintah setempat.

The stakeholders are: [4.14]

1. Shareholders.
2. Employees and labor union.
3. Contractors and suppliers.
4. Central and regional governments.
5. Stock exchange authorities.
6. Local community.
7. Creditor.
8. Media.
9. Non-governmental organizations (NGOs)

The Company means to fulfill the needs of stakeholders, by conducting routine approach, including: [4:16] [4:17]

1. Prepare and submit the Annual Report, Sustainability Report, and other reports or publications that provides information on the progress and performance of the Company.
2. Hold effective dialogue regularly, within the form of discussion, consultation or hearing, especially with local communities and governments.



Area Vale | Vale Area



Kegiatan Proses Bahan Baku
Processing Raw Material

Kinerja Ekonomi Berkelanjutan

Sustainable Economic Performance

We are nickel producer at low-cost, supported by high-grade ore reserves, well trained manpower and hydro power facilities.

Pada tahun 2011, PT Vale Indonesia Tbk., berhasil menyelesaikan implementasi proyek One Vale Global Program (One Vale). Program tersebut merupakan transformasi bisnis yang bertujuan untuk menyederhanakan dan menciptakan standarisasi proses di seluruh fungsi Perusahaan.

Salah satu hasil dari proyek ini adalah penerapan SAP-ERP (*Enterprise Resource Planning*), sebuah sistem yang digunakan untuk memadukan proses bisnis utama menjadi satu tim. Sistem ini menjadi solusi terbaik untuk menjadwalkan kompleksitas struktur bisnis PT Vale saat ini.

Kami adalah perusahaan yang mengoperasikan salah satu tambang nikel laterit dan operasi pengolahan terintegrasi terbesar di dunia, tepatnya di daerah Sorowako, Kabupaten Luwu Timur, Sulawesi Selatan.

Produksi tahun 2011 adalah 66.900 metrik ton nikel dalam *matte*. Jumlah ini turun bila dibandingkan produksi tahun 2010, sebesar 75.989 metrik ton. Penurunan produksi dikarenakan oleh gangguan operasi yang disebabkan *maintenance*, *lay off*, dan gempa bumi. Untuk mengatasi kejadian serupa, kami sudah mengambil banyak inisiatif, yang akan kami jelaskan pada bagian lain dalam laporan ini.

Rata-rata harga jual nikel dalam *matte* pada tahun 2011 mencapai 18.296 dolar AS per metrik ton, naik dibandingkan harga jual pada tahun 2010 sebesar 16.568 dolar AS per metrik ton. Namun karena turunnya produksi, kenaikan rata-rata harga jual ini kurang memberikan manfaat optimum kepada Perusahaan.



Vale's Nickel | Vale's Nickel

On the year of 2011, PT Vale Indonesia Tbk., successfully completed the implementation of the One Vale Global Program (One Vale) project. The program is a business transformation that aims to simplify and standardize the processes for the whole functions in the Company.

One of the project results is the implementation of SAP-ERP (Enterprise Resource Planning), a system that used to integrate key business processes into a single team. This system is the best solution to schedule the complexity of PT Vale's current business structure.

We are a company that operates one of the world largest integrated laterite nickel mines and processing operations, precisely located in Sorowako, East Luwu Regency, South Sulawesi.

The production in 2011 was 66,900 metric tons of nickel in *matte*. This amount was a decline compared to the production in 2010 of 75,989 metric tons. The decline in production is due to the operational disruption caused by maintenance, lay off, and earthquakes. In order to overcome similar events, we have taken many initiatives, which will be described in other part of this report.

The average selling price of nickel in *matte* of 2011 reached US\$18,296 per metric ton, slightly higher than the selling price of 2010 at US\$16,568 per metric ton. However, due to lower production, the increment in the average selling price did not provide optimum benefits to the Company.

PT Vale memiliki keunggulan dibanding produsen nikel lainnya. Kami adalah produsen nikel berbiaya rendah, didukung oleh cadangan bijih bermutu tinggi, tenaga kerja terlatih dan ditunjang fasilitas pembangkit listrik tenaga air (PLTA).

Pada bulan Oktober 2011, kami menyelesaikan proyek PLTA Karebbe. Pelaksanaan proyek ini merupakan inisiatif utama program efisiensi energi dan pengurangan biaya karena akan mengurangi pemakaian bahan bakar fosil untuk pembangkit listrik.

Sampai dengan akhir periode pelaporan, PT Vale menerima bantuan finansial dari Pemerintah. Bantuan yang diperoleh berupa keringanan bebas bea masuk hingga tahun 2015 atas pemasukan tambahan barang modal yang diberikan Pemerintah. [EC4]

Di lain pihak, Perseroan memiliki kebijakan tidak memberikan bantuan keuangan maupun kontribusi lain yang ditujukan kepada partai politik, politisi maupun kegiatan politik tertentu. Hal ini sejalan dengan kebijakan resmi PT Vale yang tertuang dalam standar prosedur operasi (*standard operating procedure/SOP*) tentang donasi kepada pihak luar. [SO6]

PT Vale has some advantages compared to other nickel producers. We are a nickel producer at low-cost, supported by high-grade ore reserves, well trained manpower and hydro power plant facilities.

In October 2011, we have completed Karebbe hydro power plant project. Implementation of this project is a key initiative of energy efficiency and cost reduction programs as it will reduce the use of fossil fuels for electricity generation.

Until the end of the reporting period, PT Vale have received financial assistance from the Government. The assistance is in the form of relief of duty until 2015 on the additional import of capital goods provided by the the Government. [EC4]

On the other hand, the Company has a policy for not providing financial assistance and other contributions for political parties, politicians and political activities. This is in line with the official policy of PT Vale contained in the standard operating procedures (SOP) regarding donations to outside parties. [SO6]

In October 2011, we have completed Karebbe hydro power plant project

ANTIKORUPSI

Sampai dengan akhir periode pelaporan, kami belum melakukan pelatihan khusus kepada para pegawai, dengan materi mengenai antikorupsi. Saat ini baru Kepala Audit Internal saja yang memiliki *Certified Fraud Examiner*. Namun PT Vale berkomitmen untuk meminimalkan peluang terjadinya praktik pelanggaran Kode Etik Perilaku, maupun pelanggaran tindak pidana korupsi. [SO3]

Kami memastikan tidak ada transaksi benturan kepentingan dengan pihak manapun yang tercatat pada tahun 2011. Namun untuk mencegahnya, PT Vale menerapkan pengendalian internal yang ketat, terutama untuk mencegah terjadinya korupsi di bidang keuangan. Sesuai dengan Section 404 dari Undang undang Sarbanes Oxley tahun 2002, kami mengimplementasikan kerangka pengendalian internal yang dikeluarkan oleh Committee of Sponsoring Organizations of the Treadway Commission (COSO). Selain itu, kami terus memantau kinerja Perusahaan sesuai dengan hasil studi independen yang dilakukan oleh kantor penasihat hukum Mochtar Karuwin dan Komar, serta tim implementasi tata kelola. Kami berusaha memastikan bahwa setiap kegiatan bisnis perusahaan patuh pada *the Foreign Corrupt Practices Act (FCPA)* dan *the Indonesian Anti-Corruption Law*. [SO2] [SO4]

KETERLIBATAN PEMASOK

Sejak diinisiasi tahun 2007, kami meneruskan penerapan Kerangka Sistem Kontraktor Terpadu atau *Integrated Contract System Framework (ICSF)* dan Program Pengadaan Global One Vale. Penerapan ini mendukung kesempatan keterlibatan para pemasok/kontraktor lokal. Sampai dengan akhir periode pelaporan, ada 14 perusahaan Nilai kontrak pekerjaan dengan pemasok lokal adalah 5,4% dari keseluruhan nilai kontrak pekerjaan atau 8,4% bila tidak mengikutsertakan pembelian *high sulfur fuel oil (HSFO)* yang mencapai 70% dari total nilai kontrak vendor barang. Hal ini menjadi tolak ukur KPI atas prestasi pemberdayaan pemasok lokal. Hal ini menjadi tolak ukur KPI atas prestasi pemberdayaan pemasok lokal. [EC6]

ANTI-CORRUPTION

Until the end of the reporting period, we have not conducted specific training for employees on anti-corruption material. Currently, only the Head of Internal Audit who has become a Certified Fraud Examiner. However, PT Vale is committed to minimizing the chances of violations of Code of Conduct, as well as violence of criminal act of corruption. [SO3]

We ensure that there is no conflict of interest in transactions with any party that were recorded in 2011. However, to prevent this, we implement strict internal control, especially to prevent corruption in the financial sector. In accordance with Section 404 of the Sarbanes Oxley Act of 2002, we implemented an internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In addition, we are continuing to monitor the performance of the Company in accordance with the results of an independent study conducted by the office of legal counsel Mochtar Karuwin and Komar, as well as the governance implementation team. We strive to ensure that each business activity of the company is in compliance with the Foreign Corrupt Practices Act (FCPA) and the Indonesian Anti-Corruption Law. [SO2] [SO4]

SUPPLIERS' INVOLVEMENT

Since the initiation in the year of 2007, we continue the implementation of Integrated Contract System Framework (ICSF) and Global One Vale Procurement Program. This implementation supports the involvement of local suppliers/contractors. Until the end of reporting period, 14 local suppliers/contractors or 7% of total suppliers/contractors have been registered at PT Vale. The contract value of local suppliers was 5.4% of total contract value or 8.4% if it excluded HSFO purchase which yield the 70% of total contract value by goods vendors. This concern has become KPI benchmark on the achievement of local suppliers empowerment. [EC6]

Nilai Pembayaran Tahun 2011 [EC6]

Payment Value of 2011

Kategori	Nilai Pembayaran (USD) (Pemasok: Barang & Jasa)	Value of payment (USD) (Vendor: Goods & Service)	Category
Internasional	378,189,127		International
Lokal	40,233,969		Local
Nasional	305,306,099		National
Regional	16,453,085		Regional
Grand Total	740,182,280		Grand Total

Jumlah Pemasok/Kontraktor Lokal (Barang dan Jasa) [EC6]

Number of Local Suppliers/Contractors (Goods and Service)

Kategori	<2010	2010	2011	Category
Internasional	615	21	46	International
Lokal	210	17	14	Local
Nasional	585	78	126	National
Regional	258	6	13	Regional
Grand Total	1,668	122	199	Grand Total

* wilayah lokal,(point of hired) yaitu Kabupaten Luwu Timur, wilayah regional: Provinsi Sulawesi Selatan, wilayah nasional: Indonesia, dan internasional: luar Indonesia.

* local area,(point of hired) are East Luwu Regency, regional area: South Sulawesi Province, national area: Indonesia, and international: outside Indonesia



Aktivitas Penyimpanan Material | Storing Material Activities

TANGGUNG JAWAB PRODUK DAN PENCANTUMAN INFORMASI

Produk utama PT Vale adalah nikel dalam *matte*, yaitu produk antara yang digunakan dalam pembuatan nikel rafinasi, dengan kandungan rata-rata 78% nikel, 1% kobalt, serta 20% sulfur dan logam lainnya. Semua produksi terikat dengan penjualan Vale Canada Limited dan Sumitomo Metal Mining Co. Ltd, berdasarkan atas formula dari *base metals* London Metal Exchange (LME).

Tanggung jawab produk Perusahaan dijalankan dengan menerapkan Sistem Produksi Vale (*Vale Production System* atau VPS). Mekanisme ini merupakan sistem produksi terpadu yang merupakan standarisasi di empat bidang utama: karyawan, operasi, perawatan dan manajemen; serta tiga bidang pendukung: kesehatan, keselamatan serta lingkungan hidup.

Sebagai produk antara, nikel dalam *matte* tidak secara langsung mempengaruhi kesehatan pengguna akhir. Namun kami memahami potensi gangguan kesehatan bagi karyawan yang ditimbulkan dari proses produksi. Perseroan memberlakukan ketentuan pemakaian masker gas, penyediaan sistem ventilasi, pemeriksaan kesehatan secara rutin, penyediaan alat pelindung diri (APD), mekanisme keluhan dan komplain, serta pelatihan kesehatan dan keselamatan kerja (K3). [PR1]



Kemasan Produk | Product Package

PRODUCT RESPONSIBILITY AND INFORMATION LABELLING

The main product of PT Vale is nickel in *matte*, an intermediate product used in the production of refined nickel, with an average content of 78% nickel, 1% cobalt, and 20% sulfur and other metals. The entire production is bound with sales contracts of Vale Canada Limited and Sumitomo Metal Mining Co. Ltd based on base metal formula of London Metal Exchange (LME).

Responsibility of the Company for product is performed by applying Vale Production System (VPS). This mechanism is a standardized integrated system of four key areas: employees, operations, maintenance and management; and three support areas: health, safety and environment.

As an intermediate product form, nickel in *matte* does not directly affect on the health of its end user. However we are aware of the potential health risks for employees resulting from the production process. The Company enforces some requirements to wear gas mask, ventilation system provision, routine health checks, personal protection equipment (PPE) provision, grievance and complaint mechanism, as well as the occupational safety and health (OSH) training. [PR1]

Dari hasil pemeriksaan rutin kesehatan, diketahui tidak ada indikasi gangguan, yang disebabkan akibat kegiatan proses produksi. Kami juga tidak menerima keluhan/komplain dari karyawan dan pelanggan, terkait gangguan kesehatan akibat pengolahan lanjut produk nikel dalam *matte*. [PR2]

Produk nikel dalam *matte* dikirim kepada pembeli dalam kantung khusus dengan kapasitas berat tiga ton per kantung. Perusahaan memberlakukan prosedur ketat persyaratan pengepakan serta pencantuman label pada bagian luar kemasan, berisi informasi yang perlu diketahui pelanggan beserta dokumen produk yang dikirimkan. Selama tahun 2011 tidak ada keluhan yang disampaikan pelanggan, terkait informasi produk. [PR3] [PR4]

Informasi pada kemasan mencantumkan keterangan mengenai nomor lot, identitas kantung, informasi mengenai *major hazard standards* (MHS), kategori bahaya yang disebabkan produk dan perlakuan pada kondisi bahaya. Informasi lebih lengkap tentang produk diberikan melalui *certificate of analysis*, berisi komposisi kimia produk dan sertifikat ini dibuat untuk setiap 1.000 ton produk yang dikirimkan kepada pelanggan. [PR3]

PT Vale memiliki mekanisme terkait keluhan/komplain atas produk yang dikirim. Setiap keluhan/komplain dapat disampaikan ke bagian ekspor pada Departemen *Supply Chain Management* dan ke bagian pengolahan produk pada Departemen *Process Plant*. Selanjutnya, Perusahaan akan merespon setiap input dari pelanggan untuk memperbaiki kualitas produk. Selama tahun 2011 Perusahaan tidak menerima keluhan atas kemasan produk dan oleh karenanya tidak melakukan penarikan atas kemasan. [EN27]

The results of routine health examination found no indication of health disturbance caused by production process activities. We also did not receive any complaints from employees and customers regarding health disturbance from further processing of nickel in *matte*. [PR2]

The Shipment of Nickel in *matte* product shipped to buyers in special bags with capacity of 3 tons per bag. The Company applies strict procedures of packaging and labeling requirements on the package, containing adequate information for customers along together with the document of shipping product. During 2011, there were no complaints from the customers regarding product information. [PR3] [PR4]

Packaging information has described lot number, bag identity, information on major hazard standards (MHS), category of hazard caused by the product and treatment in dangerous condition. More detailed information on the product is provided on the certificate of analysis, containing chemical composition of the product and this certificate is provided for every 1,000 tons of product shipment to the customer. [PR3]

PT Vale has a mechanism for grievances/complaints on the products shipment. Any grievances/complaints can be submitted to the export division at the Supply Chain Management Department and to product processing division at the Process Plant Department. Subsequently, the Company will respond to any input from customers to improve the product quality. During 2011, the Company did not receive any complaints on the product packaging and therefore did not reclaim them. [EN27]

PEMASARAN DAN KEPUASAN PELANGGAN

Keberadaan dua pelanggan utama Perseroan, menjadikan PT Vale tidak perlu menanggung biaya pemasaran maupun penjualan. Kami juga tidak perlu secara khusus melakukan komunikasi pemasaran terhadap para pengguna akhir. [PR6] [PR7]

Kekhususan pasar produk nikel dalam *matte* juga menjadikan Perseroan tidak menghadapi persaingan usaha dengan produsen nikel lain di Indonesia. Meski demikian, kami menentang praktik persaingan usaha tidak sehat. [SO7]

Pada tahun 2011 Perusahaan mengadakan survey kepuasan pelanggan. Dari hasil survei tersebut, dapat disimpulkan bahwa hasil rata-rata 'cukup' dan 'tidak baik' adalah 22.4 %, yang berasal dari pertanyaan mengenai 'waktu penerimaan' dan 'pelaporan sampel', sedangkan hasil rata-rata 'sangat baik' dan 'baik' adalah 77.6%. [PR5]

MARKETING AND CUSTOMER SATISFACTION

The presence of two major customers of the Company makes PT Vale Indonesia does not need to bear the marketing and sales costs. We also do not need to conduct marketing communications specifically to the end users. [PR6] [PR7]

The distinction of nickel in *matte* product market also makes the Company does not face business competition with other nickel producers in Indonesia. However, we are against unfair business competition practices. [SO7]

In the year of 2011, the Company conducted customer satisfaction survey. From the survey, we can conclude that the average results of 'fair' and 'not good' were 22.4%, this comes from questioning on 'time of receipt' and 'sample reporting', while the average results of 'very good' and 'good' were 77.6%. [PR5]



Aktivitas Pemantauan | Monitoring Activity

Guna merespon hasil survei tersebut, kami meningkatkan *turn around sample*, melakukan penyegaran prosedur pelaksanaan dan pengelolaan sampel ke personil terkait, serta menaikkan target kinerja laboratorium, sehingga hasil survei rata-rata 'sangat baik' dan 'baik' menjadi 80%. Selain itu, sehubungan dengan keberhasilan dalam mempertahankan status akreditasi dari Komite Akreditasi Nasional (KAN) atas pemenuhan kualitas produk dengan standar mutu sertifikasi ISO 9001 dan ISO 17025, kami diberi pengakuan untuk mencantumkan lambang KAN sebagai jaminan ke pelanggan pada setiap sertifikat hasil analisis.

Langkah ini secara langsung menjadikan produk yang dijual dapat diterima pelanggan dan komplain yang disampaikan hanya berkisar pada masalah produk yang basah atau komposisi kobalt yang *trend* tinggi meskipun masih tetap memenuhi spesifikasi yang diminta. Selain itu, PT Vale memiliki *Corporate Service Department* yang menandai langkah penting dalam integrasi kami dengan operasi global Vale. *Corporate Service* mempromosikan perencanaan permintaan layanan yang jelas dan informasi produk dengan transparansi biaya terhadap kualitas, standar memperoleh layanan, hingga layanan hutang dan pembayaran gaji. [PR3]

Sebagai bagian dari entitas bisnis yang dikelola profesional, kami memastikan terjaganya semua data pelanggan, sehingga tidak ada keluhan/komplain terkait dugaan penyalahgunaan. Selama periode pelaporan, Perseroan juga tidak menerima sanksi denda maupun sanksi hukum lain terkait penyediaan dan penggunaan produk. [PR8] [PR9]

In response to the survey results, we have increased *turn around sample*, refreshed the operating procedure and sample management to the related personnel and improved the laboratory performance target. Therefore it will increase the survey average results of 'very good' and 'good' into 80%. Furthermore, with respect to the success of maintaining accreditation status from the National Accreditation Committee (KAN) for compliance with quality standard in product quality certifications of ISO 9001 and ISO 17025, we were given the recognition to attached KAN symbol as a guarantee to the customers on every certificate of analysis.

The recognition has directly impact on customers acceptance of sales. While the complaints received were only about the issued of wet product or high trend composition of cobalt though it still met the required specifications. PT Vale also has *Corporate Service Department*, which becomes an important step in our integration with the global operations of Vale. *Corporate Service* promotes a clear service demand planning and product information with cost transparency of quality, service acquiring standards, to debt service and payroll. [PR3]

Being part of the business entity with professional management, we guaranteed our customer data confidentiality, this resulted in no complaints relates to the allegation of improper data occupied. During the reporting period, the Company also did not receive any fines or other legal penalties regarding product supply and use. [PR8] [PR9]

77.6%

The average results of 'very good' and 'good' from customer satisfaction survey



Karyawan Vale | Vale Employee

Nilai Ekonomi yang Ditahan (US\$-000) [EC1]

Economic Value Retained

Nilai Ekonomi Langsung yang Dihasilkan Direct Economic value generated	2009	2010	2011
Penjualan / Sales	760,952	1,276,323	1,300,603
Beban lain-lain / Other expenses	(17,847)	(12,673)	(42,358)
Pendapatan / Revenues	743,105	1,263,650	1,258,245

Distribusi Nilai Ekonomi

Economic Value Distributed

Biaya Operasi / Operating Expenses*	(427,399)	(547,066)	(587,387)
Gaji Karyawan dan Manfaat / Employee wages and benefits	(66,531)	(76,092)	(98,964)
Pembayaran kepada penyandang dana / Payment to providers of capital	(106,912)	(338,829)	(242,606)
Pembayaran kepada Pemerintah / Payment to government	(88,497)	(163,590)	(278,488)
Investasi untuk komunitas / Community Investment	(7,200)	(6,400)	(5,280)
Total distribusi nilai ekonomi / Total Economic Value Distributed	(696,539)	(1,131,977)	(1,212,725)

Nilai ekonomi yang ditahan

Economic Value retained

	46,566	131,673	45,520
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Sumber data: Laporan arus kas tahun 2011

* Biaya operasi merupakan pembayaran pemasok diluar pembayaran untuk masyarakat

Data Source: Statement of cash flow for the year 2011

* Cost operation was defined from payment to supplier excluding the payment to community

Kontribusi Terhadap Negara [EC1]

Contribution to The State

Uraian Komponen Penerimaan Negara Bukan Pajak (PNBP) Description of Non tax revenue (PNBP) Component	2010	2011
Iuran Produksi / Production Royalty	6,106	10,054.13
Iuran Tetap Kuasa Pertambangan / Land rent	328	285.77
Bea Masuk / Duty	11	333.65
Sub Total	6,445	10,673.55
Uraian Komponen Pajak Description of Tax Component		
Pajak Pertambahan Nilai / Value Added Tax	799	1,476.07
Pajak Bumi dan Bangunan / Land and Building Tax	2,323	3,000.80
Pajak Penghasilan Karyawan / Employee Income Tax	10,303	14,432.21
Pajak Penghasilan Badan / Corporate Income Tax	119,294	200,830.88
Pajak dan Retribusi Daerah / Tax and Regional Retribution	13,247	15,130.85
Pajak vendor/ suppliers' tax	11,178	32,893.97
Sub Total	157,145	267,814.88
TOTAL PNBP + PAJAK/ TOTAL PNBP + TAX	163,590	278,488.43



Area Persemaian
Nursery Area

Kinerja Lingkungan Berkelanjutan

Sustainable Environmental Performance

Aware of the potential threat to the environment, we have particularly mapped the impact and its mitigation.

KEBIJAKAN LINGKUNGAN

Perusahaan mengintegrasikan seluruh tahapan kegiatan operasi dengan pengelolaan lingkungan, termasuk upaya pemulihan maupun pelestariannya. Tahapan ini dimulai dari eksplorasi, penambangan, pengolahan, hingga penutupan tambang. Kami juga menjaga kelestarian lingkungan di seluruh areal Kontrak Karya, dengan:

1. Mengembalikan fungsi dan daya dukung lingkungan pascatambang kepada fungsi dan daya dukung semula.
2. Mengimplementasikan tahapan proses penutupan tambang sesuai dengan peraturan.
3. Membantu dan mendukung masyarakat dan pemerintah setempat dalam mencari sumber daya yang dapat diperbarui guna menggantikan industri pertambangan nikel sebagai sumber utama perekonomian lokal.

Menyadari adanya potensi ancaman terhadap lingkungan, secara khusus kami telah melakukan pemetaan dampak dan penanggulangannya.

ENVIRONMENTAL POLICY

The company has integrated the whole stages of operations with the environmental management, including restoration and preservation efforts. The stage begins with the exploration, mining, processing, and mine closure. We also preserve the environment in every areas of the Contract of Work, by:

1. Restore function and environment carrying capacity of the post-mining environment to its original natural condition.
2. Implement stages of mine closure process in accordance with the regulations.
3. Assist and support the community and local government in finding renewable resources to replace the nickel mining industry as a major source of local economy.

Aware of the potential threat to the environment, we have particularly mapped the impact and its mitigation.

Ikhtisar Dampak Lingkungan dan Strategi Penanggulangannya [EN12] [EN14] [EN26]
Summary of Environmental Impact and Mitigation Strategy

Sumber Dampak Source of Impact	Dampak Lingkungan Environmental Impact	Rincian Dampak Impact Details	Keterangan Penanganan Action Description	Status Penanganan Action Status
Emisi ke Atmosfer – Emisi bahan partikulat	Udara-Perubahan kualitas udara	Saat ini PT Vale memiliki 11 stack dan setiap stack menghasilkan emisi ke udara	Memasang elektrostatik presipitator (ESP) pada kiln dan dryer stack serta membangun baghouse pada stack Furnace. PT Vale mengganti <i>venturi scrubber</i> pada kiln 1, 2, 3 dengan penangkap debu ESP	Deployed
Atmospheric Emissions - Emissions of particulate material	Air - Change of air quality	Currently PT Vale has 11 stacks and every stacks produce the emission to the air	Built electrostatic precipitator (ESP) at kiln and dryer stacks and built baghouse at Furnace stacks. PT Vale were replacing venturi scrubber at kiln 1,2,3 with dust collector ESP	Diterapkan
Emisi ke Atmosfer – Emisi gas buang (SOX, NOX, CO, CO2)	Udara – perubahan lapisan ozon	PT Vale menggunakan batubara dan sulfur di pabrik pengolahan, sehingga PT Vale menghasilkan emisi SOX, NOX, CO, CO2	Melaksanakan proyek fiksasi SOx	Dalam pengembangan/penerapan
Atmospheric Emissions - Emissions of exhaust gases (SOX, NOX, CO, CO2)	Air - Amendment of the ozone layer	PT Vale use coal and Sulfur in processing plant, so PT Vale produce SOX, NOX, CO, CO2 in their emission	Conducting SOx fixation Project	In development / deployment
Sumberdaya Alam dan Energi – Konsumsi bahan bakar fosil	Udara – Peningkatan efek rumah kaca	PTVale menggunakan bahan bakar fosil (HSFO, HSD & Bensin) hingga sekarang dan menimbulkan dampak terhadap sumberdaya alam dan energi	Membangun pembangkit listrik tenaga air baru (Proyek Karebbe) untuk mengurangi pemakaian bahan bakar. Saat ini 3 pembangkit listrik telah dimiliki untuk mendukung operasi di Sorowako.	Diterapkan
Natural Resources and Energy - Consumption of fossil fuels	Air - Increase of greenhouse effect	PT Vale use fossil fuels (HSFO, HSD & Gasoline) until now and give impact to natural resources and energy	Built new water power generation (Karebbe Project) to reduce the fuel consumption. Currently has 3 power generations to support operation in Sorowako	Deployed

Sumber Dampak Source of Impact	Dampak Lingkungan Environmental Impact	Rincian Dampak Impact Details	Keterangan Penanganan Action Description	Status Penanganan Action Status
Geomorfologi – Pergerakan tanah	Fauna/Flora – kerusakan flora	Aktivitas tambang di PT Vale termasuk dalam penambangan terbuka (bukan penambangan bawah tanah), sehingga kami harus melakukan pembukaan lahan (menebang pohon), membuang lapisan sisa, material batuan, dll, untuk mendapatkan bijih saprolit. Sehingga kegiatan ini menimbulkan dampak terhadap flora, fauna dan keanekaragaman hayati.	Melakukan revegetasi/rehabilitasi, studi keanekaragaman hayati, pengendalian sedimentasi/erosi	Dalam proses
Geomorphology - Movement of soil	Fauna / Flora - Damage to flora	Mine activity in PT Vale is categorized in open mining (not underground mining), so we should do land clearing (cutting the tress), remove the overburden, rock material etc to get the saprolite ore. So, these activity will give impact to flora, fauna and biodiversity	Do revegetation/rehabilitation, Biodiversity study, sedimentation/erosion control	On process
Risiko – Bendungan jebol		Saat ini PT Vale memiliki 3 bendungan dan jika bendungan jebol, masyarakat sekitar dapat mengalami banjir	Inspeksi rutin dan membuat rencana darurat	Diterapkan
Risks - Breaking dam		Currently PT Vale has 3 dams and if the dams break, the community around the dams could be floated	Routine inspection and develop emergency contingency plan	Deployed
Limbah Padat – Produksi Limbah – limbah berminyak			Kami menyerahkannya ke pengolah berlisensi untuk enangan semua limbah berbahaya (termasuk limbah berminyak)	Diterapkan
Solid Waste - Waste Generation - Oily wastes			We send waste to the certified precursor for handling all of hazardous waste (including oily waste)	Deployed
Risiko - Ledakan	Udara – Perubahan kualitas udara	Berdebu dan dampak keselamatan	Memberikan cukup rambu-rambu, pemberitahuan jadwal & lokasi serta mematuhi prosedur pelaksanaan standar	Diterapkan
Risks – Explosion	Air - Change of air quality	Dusty and safety impact	Give enough sign, communicate the schedule&location and follow the standart Operating Procedure	Deployed

KENDALA DI LAPANGAN

Sejak awal PT Vale memahami bahwa melaksanakan kebijakan lingkungan tidaklah mudah. Perseroan kerap dihadapkan pada berbagai kendala, sehingga tak jarang harus berhadapan dengan tuntutan hukum.

Salah satunya adalah perkara di Pengadilan Negeri Malili, Kabupaten Luwu Timur, Sulawesi Selatan. Beberapa pejabat Perseroan dihadapkan pada dakwaan telah merambah hutan lindung di Dusun Seba-seba, Desa Mahalona, Kecamatan Towuti dan melanggar Undang-Undang (UU) No.41/1999 tentang Penggunaan Hutan Lindung serta UU No.23/1997 tentang Pengelolaan Lingkungan Hidup.

Dakwaan terkait pengupasan atau pembukaan lahan seluas kurang lebih 4.000 meter persegi di Dusun Seba-seba. Adapun kawasan tersebut selama ini dikenal menjadi bagian dari jalur penghubung antara blok Sorowako di Sulawesi Selatan, dan Bahudopi di Sulawesi Tengah, yang termasuk dalam area Kontrak Karya Perseroan. Saat ini perkara sedang berlangsung, namun Perusahaan tetap yakin bahwa ijin pembukaan lahan sudah diperoleh secara resmi. [EN28]

Berbagai kendala lainnya juga sempat membuat Perusahaan mendapatkan penilaian PROPER Merah dari Kementerian Lingkungan Hidup, untuk kurun waktu penilaian Juli 2010 – Juni 2011. Penilaian ini langsung disikapi PT Vale dengan memperbaiki berbagai prosedur kerja lingkungan, terutama melanjutkan proyek pengurangan emisi sulfur. Hasilnya, pada kurun waktu penilaian Juli 2011 – Juni 2012, PT Vale berhasil mendapatkan PROPER Biru. [2.10]

OBSTACLES IN THE FIELD

Since the beginning PT Vale understands that environmental implementation policy is not easy to conduct. The Company regularly has facing many obstacles, without the ignorance of the frequently lawsuits.

One of the lawsuits case is Malili District Court, East Luwu Regency, South Sulawesi. Several company officials have charged as of encroaching protected forest in Seba-seba Hamlet, Mahalona Village, Towuti District and violated The Law No.41/1999 on the Utilization of Protected Forest and The Law No.23/1997 on Environmental Management.

The charges is related to the land stripping or clearing on an area of approximately 4,000 square meters in Seba-seba Hamlet. The area is known to be part of the link between Sorowako block in South Sulawesi and Bahudopi block in Central Sulawesi, which is part of the Company's Contract of Work area. Currently, the case is still on going, but the Company remains confident that the land clearing permit has been obtained legally. [EN28]

Other challenges have cause the Company alerted by receieving a Red Proper assessment from the Ministry of Environment for the period of July 2010 to June 2011. This assessment was immediately responded by PT Vale with improvement in environment management system and allocation of fund for environmental project, especially fund for sulfur emission reduction project. In resulted, during the assessment for the period of July 2011 to June 2012, PT Vale has successfully gain a Blue Proper recognition. [2.10]

For the period of July 2011 to June 2012, PT Vale has successfully gain a Blue Proper recognition

BIAYA LINGKUNGAN

Komitmen Perseroan juga diwujudkan melalui penyediaan dana untuk mendukung setiap program maupun kegiatan pemeliharaan, perbaikan maupun pelestarian lingkungan. Besaran biaya lingkungan untuk tahun 2011 mencapai 8,451 juta dolar AS, naik dibanding total biaya lingkungan tahun 2010 sebesar 6,432. Sebagian besar biaya lingkungan ini bersifat kontrak jangka panjang yang nilainya dicatat berdasarkan pengeluaran kas / cash basis.

Perseroan melanjutkan penyediaan biaya proyek pengurangan emisi sulfur, yang telah dikerjakan sejak tahun 2009 dan akan selesai di 2012. Program ini diperlukan untuk menurunkan angka ambang batas terhadap baku mutu yang ditetapkan oleh Pemerintah. Menindaklanjuti pemantauan mutu emisi SO₂, studi kelayakan SO₂ scrubbing dan uji proyek efisiensi sulfur oleh konsultan independen di tahun 2010, kini di tahun 2011 Perseroan membangun instalasi sistem injeksi sulphur padat dilokasi tanur reduksi nomor lima dan akan dilanjutkan di empat tanur reduksi lainnya secara bertahap. Demikian pula dengan pembangunan instalasi alat pemantauan SO₂ ambien dan penyelesaian studi tentang beban emisi untuk nickel matte smelter.

ENVIRONMENTAL EXPENDITURE

The Company commitment is also realized through in the provision of funds to support program or activity of maintenance, rehabilitation and preservation of the environment. The amount of environmental expenditure in the year of 2011 reached US\$ 8.451 million, higher than the total environmental expenditure of US\$6.432 in the year of 2010. Most of the environmental expenditures are in the long-term contracts that its value recorded in cash basis expenditure.

The Company continued to provide the fund of sulfur emission reduction project, which has been conducted since 2009 and will be finished in 2012. This program is necessary to decrease the threshold towards the quality standards set by the Government. In order to follow up SO₂ emission quality monitoring, SO₂ scrubbing feasibility studies and sulfur efficiency project trials by an independent consultant in 2010, in the year of 2011 the Company built a solid sulfur injection system installation at the reduction furnace location number five and to be continued gradually in four more reduction furnaces. Similarly, progressing the development of ambient SO₂ monitoring equipment installation and completion of the study on emission load for nickel matte smelter.



Kegiatan Pemantauan Dampak Lingkungan
Activities Of Monitoring Environmental Impact

Biaya Lingkungan [EN30]
Environmental Expenditures

Tahun Year	Kategori Biaya Expenditures by categories (%)	Kategori Biaya Expenditures by categories (%)							Biaya Lingkungan Environment Expenditures (USD 000)
		Emisi Udara Air Emission	Sumber Air Water Resources	Limbah Waste	Lahan terganggu dan dilindungi Degraded and protected areas	Timbunan limbah Waste piles	Pengelolaan Lingkungan Environmental Management	Lain-lain Others	
2009	Biaya Pemeliharaan	0.24	14.24	5.94	38.07	10.58	0.68	30.25	4,174
2010	Expenditures for Maintenance	1.7	7.92	17.27	44.33	17.83	0	10.94	4,641
2011		0	6.43	6.07	44.64	38.43	4.43	0	5,829
2009	Biaya Proyek Lingkungan	96.81	2.55	0	0	0	0	0.63	11,506
2010	Expenditures for Environmental	75.88	24.12	0	0	0	0	0	1,791
2011	Projects	81.76	18.24	0	0	0	0	0	2,622

Besides of allowance for funding the sulfur emission project, there are significant increment in maintenance expenditure of waste piles, especially sediment management in the mining area. This reflected as a form of commitment in better effluent management and compliance with quality standards set by the The Government. The management is conducted in collaboration with BPPT, particularly in the application of more effective technologies in chromium and Total Suspended Solids management. [EN21]

Selain disediakan biaya proyek emisi sulfur, terdapat kenaikan yang signifikan pada biaya pemeliharaan waste piles, terutama pengelolaan sedimen di area pertambangan. Hal ini dilakukan sebagai bentuk komitmen dalam pengelolaan limbah cair dengan lebih baik dan pemenuhan baku mutu yang ditetapkan Pemerintah. Pengelolaan ini dilakukan bekerja sama dengan BPPT, terutama dalam penerapan teknologi yang lebih efektif dalam pengelolaan kromium dan jumlah endapan sedimen. [EN21]

PENGGUNAAN LAHAN

Hingga akhir periode pelaporan, wilayah Kontrak Karya PT Vale mencapai 190.510 hektar. Penjelasan ini sekaligus memperbaiki informasi yang sebelumnya disampaikan dalam Laporan Keberlanjutan 2010 bahwa total luas wilayah Kontrak Karya Perseroan 190.529 hektar. [3.10]

Kegiatan operasional utama kami, meliputi wilayah tambang di Sorowako dan sekitarnya di Kabupaten Luwu Timur yang sebagian besar termasuk dalam kawasan hutan lindung. Meski demikian, kegiatan Perseroan di dalam kawasan hutan lindung ini telah mendapat izin berdasarkan Keputusan Presiden (Keppres) No.41/2004 Tentang Perizinan Atau Perjanjian Di Bidang Pertambangan yang Berada di Kawasan Hutan. Dalam Keppres tersebut dikatakan, PT Vale dapat meneruskan kegiatan tambang dalam kawasan hutan lindung hingga akhir masa Kontrak Karya. Perseroan juga telah memperoleh izin pinjam pakai lahan yang diterbitkan Kementerian Kehutanan pada tahun 2008. Hal ini sesuai kelengkapan dan persyaratan yang diatur dalam Keppres [EN11]

LAND USE

By the end of the reporting period, PT Vale's Contract of Work area reached 190,510 hectares. This statement is a revision of the information previously presented in the Sustainability Report 2010 that the total area of the Company's Contract of Work was 190,529 hectares. [3.10]

Our main operational activity covered mining areas in Sorowako and its surrounding areas in East Luwu Regency, which are mostly in the protected forest area. However, the Company's activities in the protected forest areas has received permission by the Presidential Decree No.41/2004 on Licensing Or Agreement of Mining in Forest Areas. The decree stipulates that PT Vale may continue mining in protected forest areas until the end of the Contract of Work. The Company also has obtained the lend-use permit issued by the Forestry Ministry in 2008. This is in accordance with terms and conditions set out in the decree [EN11]

Luas dan Status Lahan Tambang Sorowako [EN11]

Land Area and Status of Sorowako Mine

Jenis Peruntukan	Luas (Ha) Land Area	Persentase (%) Percentage	Land Use
Hutan Konservasi	2,139.8	1.81	Conservation Forest
Hutan Lindung	72,437	61.19	Protected Forest
Hutan Produksi	24,726.7	20.89	Production Forest
Area Penggunaan Lain	19,083.8	16.11	Others
Total	118,387.4	100	Total



Rehabilitasi Lahan Kompensasi | Rehabilitation of Compensated Land

Selain itu, Perseroan juga telah mendapatkan izin penggunaan kawasan hutan di Desa Karebbe, Kecamatan Malili, Kabupaten Luwu Timur untuk pembangunan pembangkit listrik tenaga air (PLTA), yang telah selesai dikerjakan. Penggunaan lahan tersebut telah memperoleh persetujuan Menteri Kehutanan melalui Surat Keputusan Menteri Kehutanan Nomor: SK. 299/Menhut-II/2007 tentang Izin Pinjam Pakai Kawasan Hutan untuk Pembangunan Bendungan dan PLTA Karebbe serta sarana pendukungnya.

Selanjutnya, kami memenuhi kewajiban seperti yang diatur dalam perizinan tersebut di atas, yang meliputi rehabilitasi lahan kompensasi maupun pembayaran Penerimaan Negara Bukan Pajak (PNBP). [EN11] [EN13]

The Company has also received permission to utilize the forest in Karebbe Village, Malili District, East Luwu Regency for the construction of hydro power plant, which has been completed. The land use was approved by the Forestry Minister in the Decree of Forestry Minister No: SK. 299/Menhut-II/2007 on Forest Area Lend-Use Permit for Construction of Dams and Hydro power plant Karebbe and its supporting facilities.

Furthermore, we have met the obligations as set out in the license, which includes either the rehabilitation of compensated land and the payment of Non-tax State Revenue (PNBP). [EN11] [EN13]

PENAMBANGAN

Kegiatan penambangan yang dilakukan PT Vale adalah tambang terbuka atau *open cast*. Hingga akhir tahun 2011, luasan lahan yang telah dibuka untuk keperluan kegiatan penambangan mencapai 4.672 hektar. Dalam kurun waktu yang sama Perseroan melakukan rehabilitasi atas lahan yang telah digunakan seluas 3.732 hektar. [EN13] [MM1]

Luas Lahan yang Terganggu dan Area yang Direhabilitasi Hingga 2011 [EN13]

Area of Degraded and Rehabilitated Land Area As Of 2011

Uraian Description	Satuan Unit	2009	2010	2011
Lahan yang terganggu Degraded Land	Ha	4,485.1	4,598.1	4,672.4
Area yang direhabilitasi Rehabilitated Area	Ha	3,492.8	3,607,6	3,731.9
Jumlah Pohon (Akumulasi) Number of Trees (Accumulated)	Batang Trees	1,397,120	1,443,040	1,445,297

Kami senantiasa mengintegrasikan perencanaan dan operasi tambang yang dilakukan dengan kegiatan reklamasi. Pada saat merencanakan kegiatan penambangan di suatu lokasi, dilakukan pula perencanaan penyelamatan tanah pucuk, tempat lokasi *overburden*, serta waktu reklamasi pascatambang. Pada akhirnya, proses reklamasi diikuti dengan penanaman penutup tanah (*cover crop*), tanaman perintis, serta tanaman lokal dan tanaman multiguna lainnya. [EN14]

Perseroan juga berupaya agar program reklamasi lahan pascatambang dilaksanakan terpadu dengan program pengembangan masyarakat setempat (*community development*). Hal ini dilakukan agar kegiatan reklamasi dapat pula menciptakan kesempatan kerja bagi masyarakat setempat.

MINING

Mining activity held by PT Vale is an open cast mine. Until the end of 2011, the area of land that has been cleared for mining purposes reached 4,672 hectares. In the same period, the Company has rehabilitated 3,732 hectares of land that has been utilized. [EN13] [MM1]

We strive to integrate planning and mine operations with reclamation efforts. When planning mining operations at a site, we also make preparation on how to save topsoil, *overburden* location and time of post-mining reclamation. In the end, reclamation process followed by *cover crop* planting, pioneer plants, as well as local plants and other multipurpose plants. [EN14]

The Company also keep working on to integrate post-mining land reclamation with community development program implementation. This is aimed to create job opportunities for the local community through reclamation activities.



Penangkaran Rusa | Deer Conservation

KEANEKARAGAMAN HAYATI

Pulau Sulawesi yang menjadi lokasi wilayah Kontrak Karya PT Vale, dikenal memiliki keanekaragaman hayati tinggi karena terletak dalam lingkup kawasan Wallacea. Sebagai bentuk tanggung jawab dan dukungan pada keanekaragaman hayati ini, maka sebelum memulai penambangan, kami lebih dulu melakukan inventarisasi. Sampai dengan akhir periode pelaporan diketahui ada beberapa spesies hewan menurut daftar merah IUCN (International Union for Conservation of Nature). [EN14] [EN15]

Sampai saat ini, baru tambang Sorowako yang aktif beroperasi dan memiliki rencana pengelolaan keanekaragaman hayati. Rencana pengelolaan ini masih merujuk pada rencana pengelolaan lingkungan dan hasil studi yang dilakukan bersama dengan Lembaga Ilmu Pengetahuan Indonesia (LIPI) dan Lembaga Citra Alam Towuti. Studi keanekaragaman hayati ini akan dilakukan lagi di tahun 2013, bermitra dengan perguruan tinggi dan instansi terkait. [MM2]

BIODIVERSITY

Sulawesi Island where PT Vale's Contract of Work area is located, known to have a high biodiversity because it is situated within the Wallacea region. As a form of responsibility and support to biodiversity, before starting the mining, we were doing inventarization. Until the end of the reporting period, several species of animals on the red list of IUCN (International Union for Conservation of Nature) were identified. [EN14] [EN15]

Till today, only Sorowako mine that is in active operations and has a biodiversity management plan. The management plan is referring to the environmental management plan and the results of a study conducted by the joint program of Indonesian Institute of Sciences (LIPI) and the Citra Alam Towuti Institution. Another biodiversity study will be conducted in 2013, in collaboration with universities and related institutions. [MM2]

365 MW

Total capacity of hydro power plants

Perseroan telah memulai pembangunan fasilitas area konservasi ex-situ, yang terletak di area nursery/persemaian. Selain itu, secara terbatas kami telah memulai konservasi beberapa jenis satwa endemik Sulawesi, di antaranya rusa dan anoa. Hingga akhir 2011, jumlah rusa yang dikonservasi adalah 12 ekor, sementara anoa yang dipelihara ada 2 ekor. [EN14]

Untuk pelestarian tanaman lokal, kami melakukan penanaman kayu hitam (eboni) di lokasi pascatambang. Ada 17.845 batang kayu hitam yang telah ditanam hingga akhir 2011. Dari jumlah tersebut, 85% tumbuh dan berkembang dengan baik. [EN14]

Perseroan juga membagikan ribuan bibit tanaman kepada masyarakat dan pemerintah daerah. Adapun jenis bibit yang ditanam terdiri dari jenis sengon butoh, filisium, sapu tangan, kayu angin, trembesi, mangga, rambutan, durian, uru, bitti, jati putih, buri, jambu-jambu, betao, nyatoh, natoh, mahoni, belulang, sandru, dan lain-lain. [EN14]

The Company has started to build facilities of ex-situ conservation area, which is located in the nursery area. In spite of that, within a limited scale, we also have the conservation of some Sulawesi endemic species, such as deer and anoa (Buballus quarlesiand Deprecycornis). By the end of year 2011, the conservation of deer amounted of 12 deers and 2 anoas. [EN14]

For the preservation of local plants, we have planted ebony in the post-mining site. As the total of 17,845 ebony trees have been planted by the end of 2011. Part of these, for 85% has grown and well developed. [EN14]

The Company has also distributed thousands of seedlings to local communities and governments. The species of seeds planted consist of Enterolubium Cyclocarpum, filicium, Maniltoa grandiflora Scheff, usnea barbata, albizia saman, mango, rambutan, durian, uru, bitti, white teak, buri, jambu-jambu, betao, nyatoh, natoh, mahogany, belulang, sandru, and others. [EN14]

PEMANFAATAN ENERGI

Proses pengolahan bijih nikel (*ore*) menggunakan sistem *pyrometallurgy* dan membutuhkan energi yang besar. Kebutuhan energi ini diperoleh dari pasokan PLTA milik sendiri, yakni PLTA Larona, PLTA Balambano, dan PLTA Karebbe. [EN3]

Keberadaan PLTA Karebbe kian menegaskan komitmen Perusahaan pada inisiatif pelaksanaan konservasi energi melalui pemanfaatan air sebagai sumber energi terbarukan. Pengoperasian PLTA ini akan mengurangi ketergantungan atas bahan bakar fosil yang kian langka dan mahal serta menghilangkan emisi CO2. PLTA Karebbe memberikan tambahan tenaga listrik sebesar 90 MegaWatts (MW), sehingga kapasitas seluruh PLTA menjadi 365 MW. [EN5]

Dalam kondisi tertentu, keberadaan PLTA Karebbe juga dapat mengurangi pemakaian listrik dari unit pembangkit listrik *thermal plant* yang menggunakan *high sulphur fuel oil* atau HSFO. Namun demikian, penggunaan *thermal plant* ini masih tetap diperlukan untuk menghasilkan uap panas yang selanjutnya digunakan kembali untuk memanaskan HSFO. Oleh karenanya, secara bertahap juga dilakukan peningkatan kapasitas Tanur Listrik 2 di unit *thermal plant* Sorowako, dari kapasitas semula 75 MW menjadi 90 MW. Proyek peningkatan kapasitas ini direncanakan dapat beroperasi pada triwulan pertama tahun 2012. [EN18]

ENERGY USE

The nickel ore is processed by pyrometallurgy system and requires a great amount of energy. The required energy are supplied by hydro power plants owned by Company; Larona, Balambano and Karebbe. [EN3]

The presence of Karebbe hydro power plant underlines the Company's commitment to the implementation of energy conservation initiatives through the use of water as a renewable energy source. The operation of hydro power plant will reduce dependence on fossil fuels that is increasingly scarce and expensive, and also eliminate CO2 emissions. Karebbe hydro power plant provides additional power of 90 megawatts (MW), adding up the total capacity of hydro power plants into 365 MW. [EN5]

Under certain conditions, the presence of Karebbe hydro power plant may also reduce the power consumption of thermal plant power generating units that still use high-sulfur fuel oil or HSFO. However, the use of thermal plant is still needed to generate steam which is then reused to heat HSFO. Therefore, gradually the Electric furnace 2 capacity has been gradually increased at thermal plant 2 in Sorowako, from the original capacity of 75 MW to 90 MW. The capacity building project was planned to operate in the first quarter of 2012. [EN18]



PLTA Karebbe | Karebbe Hydro Power Plant

Secara keseluruhan total pemakaian HSFO selama periode pelaporan mencapai 2,33 juta barrel. Jumlah ini lebih rendah dibandingkan dengan kebutuhan tahun 2010 sebesar 2,77 juta barrel. Hal ini disebabkan karena realisasi produksi nikel yang lebih rendah dari rencana awal dan telah beroperasinya unit PLTA Karebbe. [EN3]

Perseroan terus berupaya untuk menjajaki pemakaian energi pengganti/substitusi dari HSFO ke bubuk batubara, dan kini sudah memasuki tahap konstruksi, yang ditargetkan beroperasi pada awal tahun 2013. Nantinya bubuk batubara akan digunakan sebagai sumber energi tanur pengering dan tanur pereduksi. Bila dapat terlaksana, maka Perusahaan dapat memperoleh keuntungan karena kebutuhan HSFO dapat tergantikan oleh batubara. [EN6]

Total usage of HSFO during the reporting period reached 2.33 million barrels. This amount is lower than the needs in 2010 of 2.77 million barrels. This is due to the realization of lower nickel production from the initial plan and the operation of Karebbe hydro power plant unit. [EN3]

The Company keep working on exploring the usage of pulverized coal as HSFO energy substitution, this has now entering the construction phase and is targeted to operate in early of the year 2013. Pulverized coal will be used as an energy source for dryer and reduction kilns. When this can be accomplished, it will benefit the Company because of the HSFO supply can be substituted with coal. [EN6]

Konsumsi Energi Langsung [EN3]
Direct Energy Consumption

Jenis Energi Type of Energy	Satuan Unit	Pemakaian Usage	2009	2010	2011
ENERGI TIDAK TERBARUKAN NON-RENEWABLE ENERGY					
Batubara Coal	MT	Pembakar Furnace	110,101.54	144,762.04	138,232.33
HSD High Speed Diesel	Liter	Pembakar Furnace Kendaraan Vehicle	60,328,839	91,268,660	84,148,585
HSFO high sulphur fuel oil	Barrel	Pembakar Furnace Pemanas Boiler Kendaraan Vehicle	2,348,867	2,774,780	2,399,020
Bensin Gasoline	Liter	Kendaraan Vehicle	346,055	398,668	473,039

Kebijakan penghematan dan efisiensi energi juga diterapkan pada konsumsi energi tidak langsung, yaitu berupa pemakaian listrik yang dipasok dari PT PLN (Persero). Seluruh listrik yang dipasok PT PLN (Persero) digunakan untuk keperluan fasilitas pendukung di Pelabuhan Balantang dan Mangkasa Point di Kecamatan Malili, Kabupaten Luwu Timur, serta untuk beberapa fasilitas umum lainnya. [EN4]

Kami juga meneruskan inisiatif hemat energi melalui program Dedicated Energy Efficiency Team (DEET), di antaranya *earth hour*, penggantian *street lighting sun switch* dengan *mechanical timer*, penggunaan *high presurre sodium lighting*, pengurangan konsumsi HSFO, dan beberapa inisiatif lainnya. Pada program 'Earth Hour 2011', energi yang bisa dikurangi sekitar 400 KWHR, kurang lebih sama dengan 'Earth Hour 2010'. Selain itu Perusahaan tetap menjalankan kebijakan pengurangan pemakaian kendaraan operasional dan perjalanan bisnis untuk menghemat energi. [EN5] [EN7]

The energy saving and efficiency policy is also applied for indirect energy consumption, within the form of electricity supplied by PT PLN (Persero). The electricity supplied by PT PLN (Persero) is entirely used for supporting facilities at the Balantang Port and Mangkasa Point in Malili District, East Luwu Regency, as well as for several other public facilities. [EN4]

We also continuing energy saving initiatives through our Dedicated Energy Efficiency Team (DEET), including earth hour, replacement of street lighting sun switch with mechanical timer, the use of high presurre sodium lighting, HSFO consumption reduction, and several other initiatives. In the program 'Earth Hour 2011', the energy could be reduced by about 400 KWHR, approximately equal to the ... 'Earth Hour 2010'. In addition, the Company continued to follow on a policy of reducing the use of operational vehicles and business travels to save energy. [EN5] [EN7]

Konsumsi Energi Tidak Langsung [EN4]
Indirect Energy Consumption

Sumber Energi Primer Primary Energy Sources	2010		2011		
	MWH	GJ	MWH	GJ	
Listrik PLN	2,542.86	9,151.2	1,338.13	4,816.8	PLN Electricity
PLTU	98,788	355,636.8	22,482	80,935.2	Coal-fired Power Plant
PLTD	137,542.22	495,151.2	117,312.47	422,323.2	Diesel Power Plant
ENERGI TERBARUKAN RENEWABLE ENERGY					
PLTA	2,064,513	7,431,519.6	1,965,840	7,077,024	Hydro Power Plant

PEMAKAIAN AIR

Sumber air yang dibutuhkan dan digunakan PT Vale bersumber dari Danau Matano, yang termasuk sumber air permukaan. Total jumlah air yang dikonsumsi untuk keperluan pabrik dan pemukiman selama tahun 2011 mencapai 10.724.023 m³. Terpisah dari air yang dikonsumsi, Perusahaan juga memanfaatkan arus sungai melalui PLTA sebanyak 7,560,102,934 m³. [EN8]

Pemanfaatan air produksi ataupun domestik dari Danau Matano tentu saja dibarengi dengan pemantauan rutin dua kali setiap tahun oleh Komite Kajian Ilmiah Danau yang mulai aktif di 2010. Melalui kebijakan ini maka penggunaan air danau selalu dalam pengawasan. Oleh karenanya, hingga akhir 2011, Perseroan tidak menerima laporan adanya pengaruh penggunaan air terhadap volume air danau. [EN9]

Kami juga melaksanakan resirkulasi air untuk proses pendinginan mesin di *cooling tower* menggunakan air limbah. Meskipun kami belum menghitung berapa total volume air yang digunakan kembali, namun diketahui bahwa volume air dalam *cooling tower* sebesar 72.800 galon. [EN10]

WATER USAGE

The water utilized by PT Vale is sourced from Lake Matano, which is a surface water source. The total amount of water consumed for plant and residential purposes during 2011 reached 10,724,023 m³. Apart from water for consumption, the Company also used 7,560,102,934 m³ of the river water current for hydro power plant. [EN8]

The usage of water from Lake Matano for production and either for domestic purposes has regularly monitored twice in a year by the Committee of Scientific Studies on Lake which is actively starts in the year of 2010. Within this policy, the utilization of lake water is always under supervision. Therefore, until the end of 2011, the Company did not receive reports of the effect on the lake water volume due to its water usage. [EN9]

We also conducted a water recirculation for the process of cooling machine at the cooling tower through the advantage of runoff water. Although we have not calculated how much the total volume of water recycled, the volume of water in the cooling tower has taking size of 72,800 gallons. [EN10]

Jenis Sumber Air dan Jumlah Pemakaian Air [EN8]
Water Sources and Water Use Volume (m³)

Sumber Air Water Sources	Penggunaan Usage	2009	2010	2011
Air Permukaan	Pabrik Plant Site	8,444,059.66	7,017,981.55	7,491,728.73
Surface Water	Pemukiman Residences	2,900,441.19	2,990,512.37	3,232,295
	PLTA* Hydro Power Plant	7,433,143,804.8	7,722,100,195.20	7,560,102,934.93

* total dari 3 kali resirkulasi, akumulasi dari PLTA Larona, PLTA Balambona, dan PLTA Karebbe
* total of 3 times recirculations, accumulated from Larona, Balambano, Karebbe Hydro Plants.



Pemantauan Air yang Dimanfaatkan | Monitoring Water Usage

PEMAKAIAN MATERIAL

Bijih nikel atau *ore* merupakan material utama dalam proses pengolahan dan produksi nikel dalam *matte* yang diperoleh dari proses penambangan dan seluruhnya habis terpakai, sehingga tidak ada yang didaur ulang. [EN1]

Proses penambangan menghasilkan material ikutan seperti *overburden* maupun lapisan tanah pucuk (*top soil*), sedangkan dari proses produksi nikel dalam *matte* juga dihasilkan material ikutan lainnya, seperti *converter slag*, debu, *slurry*, dan *nickel scrap* (kerak). Material ikutan ini selanjutnya disimpan dan dipergunakan kembali dalam proses reklamasi pascatambang. [EN2]

MATERIAL USAGE

Nickel ore is the main material in the processing and production of nickel in *matte* which is obtained from the mining process and completely consumable so that there is nothing to recycle. [EN1]

The mining process produces waste material such as *overburden* and *topsoil*, while the production process of nickel in *matte* also generates other waste material, such as *converter slag*, dust, *slurry*, and *nickel scrap*. The suspended material is then being stored and reused in the post-mining reclamation process. [EN2]

Penggunaan Material [EN1] [EN2]
Material Usage

Material Digunakan Material Used	Satuan Unit	Uraian Description	2009	2010	2011
Bijih Nikel Nickel Ore	WMT	Bahan baku Raw material Habis terpakai Not recycled	10,471,678	12,990,326	12,447,392
Amonium Nitrat Ammonium nitrate	kg	Bahan pendukung Processing materials Habis terpakai Not recycled	237,275	200,350	227,325
Silika Silica	Ton	Bahan pendukung Processing materials Habis terpakai Not recycled	82,488	101,160	80,941
Sulfur	Ton	Bahan pendukung Processing materials Habis terpakai Not recycled	53,909	61,489	56,745
Batubara Coal	Ton	Bahan pendukung Processing materials Habis terpakai Not recycled	110,102	144,762	138,232
Lapisan sisa Overburden	WMT	Bahan tersisa Waste material Digunakan kembali Reused	25,605,166	28,686,843	26,998,572
Lapisan atas tanah Top soil	WMT	Bahan tersisa Waste material Digunakan kembali Reused	854,227	669,369	467,512
Debu Tanur Pereduksi didaur ulang ke tanur pengering Reduction Kiln dust recycled to dryer	MT Ni	Bahan pendukung Processing materials Digunakan kembali Reused	17,550	20,759	18,553
Debu tanur listrik (kalsin) didaur ulang ke alat pengubah Electric furnace dust (calcine) recycled to converter	DMT Ni	Bahan pendukung Processing materials Digunakan kembali Reused	554	698	716
Kolam Matte didaur ulang ke alat pengubah Matte Pond recycled to converter	DMT Ni	Bahan pendukung Processing materials Digunakan kembali Reused	424	404	368
Terak didaur ulang untuk dikonversi slag recycled to be convert	DMT Ni	Bahan pendukung Processing materials Digunakan kembali Reused	4	-	386
Nikel bekas didaur ulang ke alat pengubah Scrap recycled to converter	DMT Ni	Bahan pendukung Processing materials Digunakan kembali Reused	85,319	48,057	23,284

EMISI GAS BUANG

Emisi gas buang dihasilkan dari pengoperasian alat berat untuk kegiatan penambangan, proses pengolahan bijih nikel, pengoperasian genset, serta kendaraan operasional. Secara berkesinambungan, Perusahaan melakukan pemantauan dan kontrol kualitas emisi gas buang agar memenuhi baku mutu yang ditetapkan pemerintah. Namun kami belum secara khusus melakukan pengukuran kadar CO2 yang merupakan emisi gas rumah kaca. [EN16] [EN17]

Lain halnya dengan emisi SO2 yang menjadi perhatian Perusahaan dalam pengurangan emisi sulfur. Secara khusus, Perusahaan melakukan pengukuran partikulat dan emisi (SOx, NOx) terhadap cerobong yang mengeluarkan gas buang dari alat-alat utama pabrik, diantaranya tanur pengering, tanur pereduksi, tanur peleburan dan tanur pemurnian. Pengukuran dilakukan oleh pihak internal PT Vale setiap bulan dan juga dilakukan oleh Laboratorium eksternal yang telah terakreditasi (Sucofindo) setiap kuartal. Hasil pemantauan ini selanjutnya dilaporkan kepada pemerintah melalui laporan RKL-RPL setiap kuartal. [EN20]

Selama kurun waktu periode pelaporan, kami meneruskan proyek pengurangan emisi SO2, agar sesuai dengan baku mutu yang ditetapkan Pemerintah. Proyek ini dijalankan bersama dengan Vale Canada Limited, dengan pemasangan alat penangkap debu ESP di semua tanur pengering dan tanur pereduksi serta membangun baghouse di tanur peleburan/furnace. Hingga akhir tahun 2011 telah dilakukan beberapa uji coba dan hasilnya menunjukkan potensi perbaikan efisiensi sulfur. Adapun studi yang dilakukan adalah: [EN20]

- Membangun instalasi sistem injeksi dengan mengubah titik injeksi dan mengoptimalkan pemuaian sulfur untuk mengurangi tingkat emisi SO2 yang terbuang.
- Membangun instalasi alat pemantauan SO2 ambien agar dapat diukur secara terus-menerus
- Menyelesaikan studi tentang beban emisi untuk *nickel matte smelter*

EXHAUST GAS EMISSIONS

Exhaust gas emissions is generated from the operation of heavy equipment for mining, nickel ore processing, operation of generators, and vehicles. The Company do the monitoring continuously and controls the quality of emissions in order to meet the quality standards set by the government. However we have not specifically measured the CO2 content which is categorized as greenhouse gas emission. [EN16] [EN17]

On contrary, the SO2 emissions becoming a concern for the Company as we put efforts to reduce sulfur emissions. The Company particularly measures the particulates and emissions (SOx, NOx) at the stacks that emit exhaust gas from main plant equipment, including dryers kiln, reduction kiln, smelting and refining kilns. The measurement is conducted monthly by the internal unit of PT Vale and also conducted quarterly by the accredited external laboratory (Sucofindo). The monitoring results are then reported to the government in RKL-RPL every quarter. [EN20]

During the reporting period, we continued our SO2 emission reduction project, to comply with the quality standards set by the Government. The project was run jointly with Vale Canada Limited, by installing ESP dust collector equipment in every dryer kilns and reduction kilns, as well as built baghouse at the smelter/furnace. By the end of year 2011, some trials have been done and the results showed potential efficiency improvement of sulfur. The studies that have taken place are as follows: [EN20]

- Build injection system installation by changing the point of injection and making efficient expansion of sulfur to reduce the SO2 emissions.
- Install ambient SO2 monitoring device that can be continually measured
- Completed the study of emission load for nickel matte smelter

Kami tidak lagi menggunakan jenis freon berbasis chlorofluorocarbon atau CFC yang berpotensi menipiskan lapisan ozon. Sebagai gantinya digunakan freon tipe Chlorodifluoromethane (R22) dan R134a yang lebih ramah lingkungan. Estimasi penggunaan kedua Freon ini adalah 4,844 kg ditahun 2011. [EN19]

Hal lain yang juga menjadi perhatian Perusahaan adalah kegiatan pengangkutan bahan baku, material penunjang lainnya, dan produk nikel dalam matte. Perusahaan mewajibkan kendaraan pengangkut melaju dengan kecepatan rendah dan secara rutin melakukan penyiraman jalan. Hal ini bertujuan untuk mengurangi potensi debu maupun total partikulat tersuspensi pada kualitas udara ambien. Hasil pemantauan yang dilakukan tiap bulan menunjukkan kualitas udara ambien telah memenuhi baku mutu pemerintah, dalam hal ini Keputusan Gubernur No.14/2003, yakni sebesar 0,23 mg/Nm³. [EN29]

We are no longer using chlorofluorocarbon-based (CFC) freon that potentially depletes the ozone. As the substitute, we are using Chlorodifluoromethane (R22) freon and R134a freon which is more environmental friendly. The usage of both freon are estimated at 4.844 kg in 2011. [EN19]

The Company also pays attention to transport activities of raw materials, other supporting materials, and nickel in matte product. The Company requires the transport vehicle operator to drive at low speed and shower the road regularly. It aims to reduce the potential of dust and total suspended particulates (TSP) in the ambient of air quality. The results of monthly monitorin shows that the ambient air quality has meet the government quality standards, stipulated in the Governor's Decree No.14/2003, which is 0.23 mg/Nm³. [EN29]

Under the terms of the new calculation, the Company actual emissions in the fourth quarter of year 2011 has met the provisions of the Government

Jumlah NOx, SOx dan Kandungan Lain* [EN20]
Amount of NOx, Sox and Other Substance (mg/m³)

Kandungan Substance	Baku Mutu Quality Standard	2009	2010	2011
NOx	1,000	45	83	91
SOx	800	3,529	4,253	4,204
Partikulat Particulate	80	64	59	68

* Tidak termasuk kuartal 4 tahun 2011
Fourth quarter of 2011 not included



Aktivitas Pemantauan | Monitoring Activity

Data pemantauan emisi cerobong tahun 2011 yang dilakukan oleh Laboratorium Sucofindo memperlihatkan bahwa pengukuran parameter partikulat untuk semua cerobong pabrik pengolahan telah memenuhi baku mutu emisi seperti yang ditetapkan dalam Keputusan Menteri Negara lingkungan Hidup No.13 tahun 1995 lampiran V-B sebesar 350 mg/Nm³. Namun demikian, parameter SO₂ untuk beberapa lokasi pemantauan belum memenuhi ketentuan tersebut. .

Keadaan ini berubah saat terbitnya surat edaran dari Kementerian Lingkungan Hidup No. B-8594/MENLH/09/2011 yang menyatakan bahwa perhitungan target emisi ditentukan berdasarkan kg SO₂ per kg produksi Ni. Target perhitungan di kuartal keempat 2011 sebesar 1,03 kg SO₂ per kg Ni.

Berdasarkan ketentuan perhitungan yang baru ini, ternyata emisi kuartal keempat 2011 Perusahaan adalah sebesar 0,93 kg SO₂ per kg Ni. Maka angka ini masih di bawah target 1,03 kg SO₂ per kg Ni yang ditentukan Pemerintah. Oleh karenanya emisi SO₂Perusahaan tidak melanggar ketentuan Pemerintah.

Data of stack emissions monitoring in 2011 conducted by Sucofindo Laboratory has showed that particulate parameters measurement for processing plants stacks has met the emission standards as specified in the State Minister of Environment Decree No. 13 of 1995 Appendix VB of 350 mg/Nm³. However, SO₂ parameters for several monitoring locations did not comply with the provisions.

This situation has changed with the issuance of the Ministry of Environment circular No. B-8594/MENLH/09/2011 stating that the calculation of the emissions targets set by kg SO₂ per kg Ni production. The target of calculation in the fourth quarter of year 2011 is 1.03 kg SO₂ per kg Ni.

Under the terms of the new calculation, the Company actual emissions in the fourth quarter of year 2011 was 0.93 kg SO₂ per kg Ni. Therefore this figure was still below the target of 1.03 kg SO₂ per kg Ni set by the Government. Thus SO₂ emissions of the the Company did not violate the provisions of the Government.

PENGELOLAAN LIMBAH

Ada beberapa bentuk limbah yang dihasilkan Perusahaan, baik yang berasal dari operasi penambangan maupun proses produksi. Limbah ini dibagi dua, yaitu limbah berbahaya dan beracun (B3) dan non B3, serta dibedakan antara padat dan cair. Guna meminimalkan potensi pencemaran lingkungan, maka Perusahaan melakukan pengelolaan limbah sesuai dengan jenis dan karakteristiknya.

WASTE MANAGEMENT

There are several forms of waste generated by the Company, both from mining operations and production process. The waste is divided into two categories, hazardous and toxic waste (B3) and non-B3, as well as distinguished in two forms, solid and liquid. In order to minimize potential of environmental pollution, the Company manages the waste according to its type and characteristic.



Pengelolaan Limbah Terak | Slag Waste Management

Skema Pengolahan Limbah [EN22]
Waste Treatment Scheme



Pengolahan limbah B3 dilakukan dengan melibatkan pihak ketiga yang ditunjuk secara sah, sedangkan limbah non B3 diupayakan untuk dimanfaatkan kembali atau dikirim ke PPLI. Khusus untuk terak dan oli bekas, Perusahaan telah memperoleh izin menyimpan, mengelola, dan memanfaatkannya sebagai material pengeras jalan dan pembakar di tanur pengering (*dryer*).

Adapun aki bekas, bahan terkontaminasi lainnya dan abu hasil pembakaran insinerator rumah sakit, diolah di Pusat Pengolahan Limbah Industri (PPLI), di Cileungsi, Kabupaten Bogor, Jawa Barat. Pengiriman limbah B3 ke PPLI dilakukan setiap tiga bulan sekali. Seluruh proses pengangkutan dilakukan dengan pengawasan langsung dari PPLI. [EN24]

Utilization of B3 waste is carried out with the involvement of legally appointed third party, while non-B3 waste is reused as much as possible or sent to PPLI. As for slag and used lubricant, the Company has obtained permit to store, manage and reuse it as road material and burning material in dryer.

Meanwhile used accu, other contaminated materials and ash resulting from hospital incinerator burning, are being processed at the Industrial Waste Processing Center (PPLI), in Cileungsi, Bogor Regency, West Java. The B3 waste is sent to PPLI quarterly. The entire process of transportation is under direct supervision of PPLI. [EN24]

By adding ferrous sulphate monohydrate, the water-borne Cr6+ concentration can be neutralized

Jenis dan Jumlah Limbah B3 [EN22]
Jenis dan Jumlah Limbah B3

Jenis Limbah B3	2009	2010	2011	Type of Toxic and Hazardous Waste
Oli dan gemuk bekas	1,028.30	1,142.27	1,705.65	Used lubricants and grease
Baterai dan aki bekas	44.31	36.6	53.19	Used battery and accu
Asbes	11.00	28.2	8.12	Asbestos
Limbah medis	3.80	2.0	1.45	Medical waste
Bahan terkontaminasi oli dan gemuk	149.80	251.8	256.08	Lubricants and grease contaminated materials
Cat dan bahan kimia lainnya	0.50	2.2	0.08	Paints and other chemicals
	1,237.71	1,463.07	2,024.57	

LIMBAH CAIR [EN22]

Beberapa usaha yang dilakukan Perusahaan dalam mengelola limbah cair, adalah:

- Air limbah dari kegiatan penambangan berpotensi menimbulkan sedimentasi. Untuk mengatasinya, Perusahaan membangun fasilitas pengendapan berjenjang di daerah aliran air tambang, disertai fasilitas pendukung dan pemantauan. Melalui kolam pengendapan, kualitas air yang keluar dari titik pantau terakhir dipastikan telah memenuhi ketentuan baku mutu.
- *Effluent* adalah hasil proses produksi dari pabrik pengolahan. Untuk mengatasi hal tersebut, dibuatlah mekanisme *saluran tertutup*, guna membantu pengolahan *slurry* dan daur ulang debu pada *stack* ke *thickener*.
- Minyak hasil dari bengkel perawatan, diatasi dengan pembangunan perangkat minyak sehingga tumpahan minyak tidak mencemari lapisan permukaan tanah.
- Air limbah cucian kendaraan operasional tambang mengandung konsentrasi Cr6+. Hal ini diatasi dengan membuat kolam pengendapan, memasang alat pengolahan air limbah, serta menambahkan *ferrous sulfat monohidrat*. Melalui mekanisme ini maka konsentrasi Cr6+ yang terbawa air dapat dinetralkan dan air yang dibuang ke badan air dipastikan telah sesuai dengan baku mutu.

LIQUID WASTE [EN22]

Several efforts that conducted by the Company in managing liquid waste, are as follows :

- Waste water as the result of mining activity has the potential to cause sedimentation. In response to this, the Company has built the tiered deposition facility in mine watersheds, along with supporting and monitoring facilities. Through the settling ponds, discharged water quality from the last monitoring spot is ascertained to be in compliance with quality standards.
- Effluent is the results of production process in the manufacture plant. To overcome this, a close channel mechanism is developed, this has improved the performance of slurry handling facility, and also improved dust recycle performance in the stack on the way to the thickener.
- Oil as a result from maintenance workshop, is handled by building the oil traps to prevent oil spills from contaminating the surface soil.
- Waste water from the mine operational vehicles contain Cr6 + concentration. This matter is managed by making sedimentation ponds, installing a waste water treatment device, as well as adding ferrous sulphate monohydrate. With this mechanism the water-borne Cr6+ concentration can be neutralized and the water that will be discharged into water bodies has been ascertained in accordance with the quality standards.

- Air limpasan sebagai dampak penimbunan sulfur dan batubara, diolah melalui instalasi pengolahan air limbah (IPAL) berlokasi di Pelabuhan Balantang. Secara berkala juga dilakukan pemantauan untuk memastikan pembuangan air ini telah memenuhi standar baku mutu.

Kualitas air limpasan dipantau secara rutin oleh Perusahaan sebelum dialirkan ke badan air, yakni Danau Matano dan Mahalona. Jumlah air ini jauh lebih banyak dari jumlah air yang diambil karena air yang dialirkan juga berasal dari endapan kolam dan air hujan. Selain itu, Perusahaan juga melakukan pemantauan kualitas air beserta keanekaragaman hayati dengan melibatkan lembaga laboratorium external terakreditasi, seperti yang disyaratkan di dalam AMDAL. [EN21] [EN25]

- Water runoff as a result of the accumulation of sulfur and coal, is being processed in the waste water treatment plant (WWTP) located in the Balantang Port. Periodical monitoring is carried out to ensure the water discharge is in compliance with quality standards.

Runoff water quality is monitored regularly by the Company before it is discharged to the water bodies, which are Lake Matano and Mahalona. The amount of water is far larger than the amount of water withdrawn as the discharged water has sum of total volume from the sedimentation pond and also rainwater. Furthermore, the Company also conducted water quality and biodiversity monitoring with the involvement of accredited external laboratory, as required in the AMDAL. [EN21] [EN25]

Volume Air Limbah dan Sumbernya [EN21]
Waste Water Volume and Source

Sumber Source	Badan Air Water Bodies	Volume Buangan (m ³) Volume of Discharge (m ³) 2011	Pengolahan Cr6+ Cr6+ Treatment	
			Total padatan Total suspended solids (mg/L)	Fe terlarut Fe dissolved (mg/L)
Anak Sungai Lamoare Lamoare Creek (LC3)	Danau Matano Lake Matano	6,293,736	16.36	0.05
Lamangka (LMK)	Danau Mahalona Lake Mahalona	67,000,130	3.42	0.08
Petea Timur East Petea	Danau Matano Lake Matano	11,412,564	33.93	0.06
Petea Barat West Petea	Danau Matano Lake Matano	8,829,766	13.28	0.07

82.1%

Of total slag has been reuse as road material and burning material in dryer

LIMBAH PADAT [EN22]

Beberapa usaha pengelolaan limbah padat dilakukan, antara lain:

- Terak (slag) merupakan jenis limbah padat hasil dari tanur listrik yang bersuhu 1.500°C. Terak yang dihasilkan ditampung dalam pot tersendiri dan selanjutnya diangkut menggunakan kendaraan khusus (haul master) ke tempat penimbunan (slag dump), sebelum dibawa ke PPLI.
- Ban bekas, dimanfaatkan kembali melalui proses vulkanisir dan digunakan sebagai penghalang jalan miring di lokasi tambang. Jumlah ban bekas yang dimanfaatkan kembali mencapai 6.23% dari jumlah ban bekas pakai. Sisanya diserahkan kepada pihak ketiga berizin untuk dikelola.
- Limbah domestik, diolah dengan cara ditimbun pada lokasi yang telah ditetapkan. Volume limbah domestik yang dihasilkan selama tahun 2011 mencapai 38.000 ton, jumlah ini lebih besar dibandingkan tahun sebelumnya, yaitu 23,000 ton.

SOLID WASTE [EN22]

Below are several efforts of the solid waste management efforts are as follows:

- Slag is a type of solid waste resulting from the electric furnace with temperature 1500° C. The slag is collected in a separate pot and then transported by haul master to the slag dump, before being taken to PPLI.
- Scrap tires, through vulcanizing process and used as blockades for sloping roads at the mine site. The number of reused tires reached 6.23% of total scrap tires. While for the rest of it, were sent to the third party who endorsed to process.
- Domestic waste, processed by piling it at a designated location. The volume of domestic waste generated during 2011 reached 38,000 tons, the amount is greater than in the previous year, which was 23,000 tons.

Pemanfaatan Limbah [EN22] [MM3]
Reuse of Waste

Kategori limbah hasil penambangan dan pengolahan mineral Mining and mineral processing waste category	Total Persentase Pemanfaatan Total Percentage Reused	Total Jumlah yang Dihasilkan Total Amount Created	Total Jumlah yang Dimanfaatkan Total Amount Reused
Lapisan sisa Overburden (Tons)	1.7%	26,998,572	467,512
Batuan tailing Tailing rock (Tons)	50.5%	3,700,336	1,868,821
Terak Slag (Tons)	82.1%	3,744,144	3,073,125
Oli Bekas Used Lubricants (Tons)	100%	1,705.65	1,705.65
Ban Bekas Scrap tires (Tire Equivalent)	6.23%	5,550	346



Pemanfaatan Limbah Domestik | Domestic Waste Utilization

TUMPAHAN BAHAN BERBAHAYA [EN23]

Selama kurun waktu periode pelaporan, ada beberapa peristiwa tumpahan bahan berbahaya yang terjadi. Salah satunya adalah saat Tanur Listrik 2 dipadamkan, terdapat lelehan logam cair bersuhu tinggi sejumlah 17,4m³ yang bersentuhan dengan air sehingga mengakibatkan serangkaian letupan uap. Prosedur penanggulangan darurat segera dilaksanakan dan keadaan dapat kembali stabil dalam waktu singkat.

Adanya kebocoran saat mesin dimatikan (*shut down*) juga mengakibatkan ledakan dan 1 orang terluka. Kejadian ini menyebabkan terganggunya operasi perusahaan selama beberapa hari. Perusahaan langsung mengidentifikasi penyebabnya, melakukan penyidikan, perbaikan dan meningkatkan prosedur keselamatan kerja, serta memasukkan kontraktor yang terlibat di kejadian ini ke dalam daftar hitam.

HAZARDOUS MATERIAL SPILL [EN23]

During the reporting period, some incidents of hazardous material spills occurred. One of them was when Electric Furnace 2 switched off, some 17.4 m³ high-temperature molten metal was in contact with water, resulting in a series of steam eruptions. Emergency response procedures were immediately taking place and the situation became stable in a short time.

There was also a leak when the engine was shut down, caused an explosion and one person was injured. This incident led into the disruption of company operations for several days. The Company immediately identified the cause, conducted investigation, repaired and improved occupational safety procedures. This included putting contractors that involved in the incident on the black list.



Pemanfaatan Pupuk Di Area Persemaian | Utilization Of Organic Fertilizer In Nursery Area



Karyawan Vale
Vale employees

Karyawan dan Ketenagakerjaan

Employee and Employment

Based on extensive employee survey, several initiatives starting from improving working condition, reviewing wage and benefit system, initiating leadership development program were conducted to make Vale becoming a Great Place to Work

Pencapaian kinerja PT Vale Indonesia Tbk., selama tahun 2011, tidak bisa dilepaskan dari andil karyawan. Untuk itulah kami berkomitmen untuk menjaga keselamatan, kesehatan dan kesejahteraan mereka.

Pada awal tahun 2011, Perusahaan mengadakan survei karyawan yang ekstensif dan *focus group discussion* untuk mengukur tingkat kepedulian mereka. Berdasarkan hasil survei tersebut, kami meluncurkan beberapa inisiatif mulai dari peningkatan kondisi kerja sampai perbaikan struktur dalam organisasi, serta peninjauan ulang sistim upah dan tunjangan. Selain itu, kami juga memulai program pengembangan kepemimpinan. Program yang disebut *Rite of Passage* ini diperuntukkan bagi para manajer dan manajer umum (*general manager*). Diharapkan, dengan perubahan ini Vale menjadi tempat kerja yang nyaman (*a great place to work*) bagi semua karyawannya.

Kami memastikan tidak ada karyawan yang masih tergolong usia anak atau yang di bawah umur. Sesuai persyaratan dalam proses rekrutmen karyawan, calon karyawan harus memiliki latar belakang pendidikan minimal SLTA dengan umur minimal 18 tahun. [HR6]

KEBERAGAMAN KARYAWAN

Kami memberikan peluang yang sama bagi siapa saja untuk menjadi bagian dari PT Vale. Kondisi ini menggambarkan keberagaman pekerja yang hingga akhir tahun 2011 berjumlah 3.210 orang, termasuk 2.961 adalah karyawan tetap. [LA1]

The Achievement of PT Vale Indonesia Tbk. during year of 2011, cannot be separated from the contribution of the employees. Therefore we are committed to maintain their safety, health and welfare.

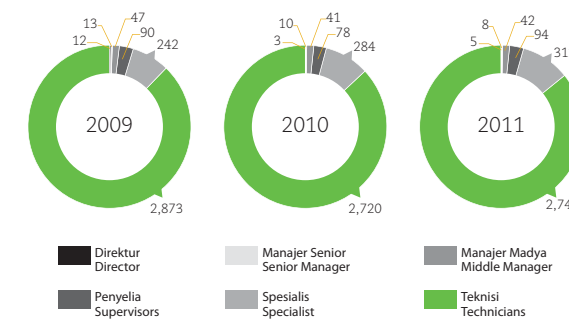
In the early 2011, the Company conducted extensive employee survey and focus group discussion to measure their level of awareness. Based on the surveys, we launched several initiatives ranging from working condition improvement to organizational structure revamp, as well as review on the wage and benefit system. Besides that, we also have started a leadership development program. The program is titled as Rite of Passage, which is intended for managers and general manager. These changes are expected to make Vale becoming a great place to work for all of its employees.

We have ensured that there is no child or underage employee. Pursuant to requirements in the employee recruitment process, a candidate should have a minimum education of high school with the age of 18 years old. [HR6]

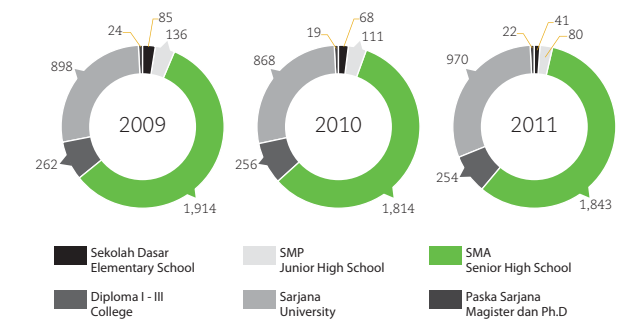
EMPLOYEE DIVERSITY

We are providing an equal opportunity for anyone who want to be part of PT Vale. This condition has reflected the diversity of employees that by the end of year 2011 reached a total of 3,210 people, including 2,961 permanent employees. [LA1]

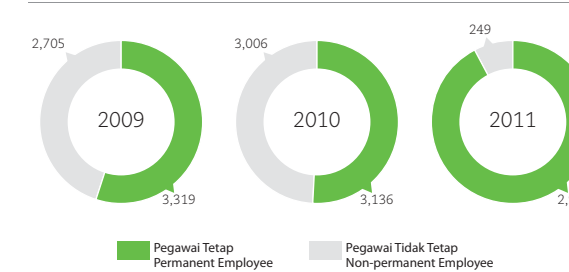
Jumlah Karyawan Berdasarkan Jabatan [LA1] Number of Employees Based on Position



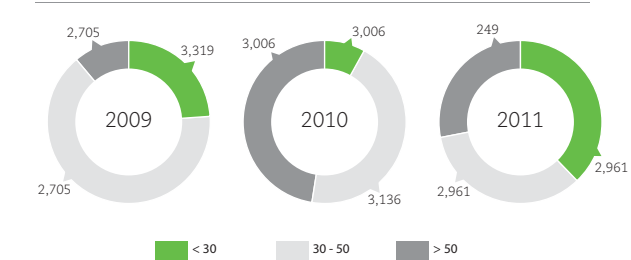
Jumlah Karyawan Berdasarkan Pendidikan [LA1] Number of Employees Based on Education



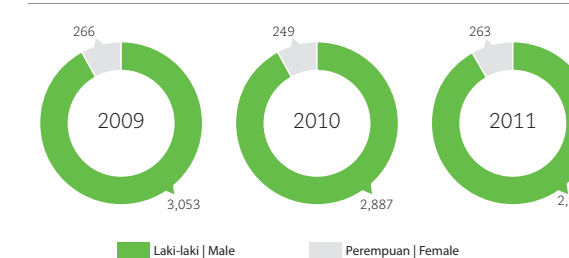
Jumlah Karyawan Berdasarkan Status Kepegawaian [LA1] Number of Employees Based on Employment Status



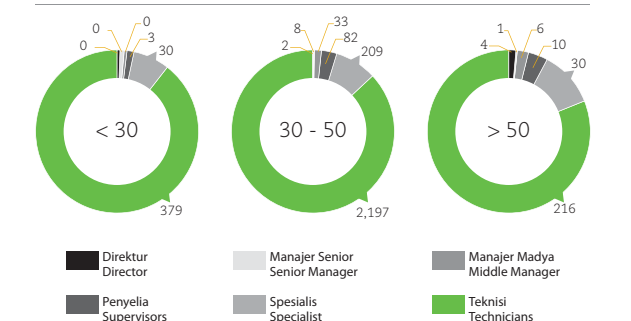
Jumlah Karyawan Berdasarkan Umur [LA1] Number of Employees Based on Age



Jumlah Karyawan Berdasarkan Gender [LA1] Number of Employees Based on Gender



Jumlah Karyawan Berdasarkan Umur dan Jabatan [LA13] Number of Employees Based on Age and Position





Karyawan Vale | Vale Employees

Masyarakat setempat merupakan prioritas kami dalam memberikan kesempatan kerja, dengan tetap menyesuaikan daya tampung dan kebutuhan Perusahaan. Maka, merupakan hal yang membahagiakan karena hingga akhir periode pelaporan, lebih dari 80% jumlah karyawan tetap adalah masyarakat dari sekitar lokasi Perusahaan. Beberapa dari mereka bahkan telah mendapatkan jabatan pada tingkatan manajemen. [EC7]

Local community is becoming our priority to provide them with job opportunities, while still in considering the Company's capacity and needs. Therefore, it is a pleasure that by the end of the reporting period, more than 80% of permanent employees are the residents around the Company's site. Some of them have even managed to hold managerial positions. [EC7]

Jumlah Karyawan Berdasarkan Asal (%) [LA1] [EC7]
Number of Employees Based on Origin

Asal Karyawan	2009	2010	2011	Employees Origin
Jakarta	8	7.5	7.5	Jakarta
Luwu Timur	80	80.2	82.8	East Luwu
Luwu Utara	< 0.1	< 0.1	< 0.1	North Luwu
Lain-lain	4	4.3	2.5	Others
Pomala	< 0.1	< 0.1	< 0.1	Pomala
Makassar	8	7.8	7.1	Makassar
Total	100	100	100	Total

More than **80%** of permanent employees are the residents around the Company's site

Kami memiliki dua lembaga pendidikan sebagai pusat pelatihan calon tenaga kerja, sehingga mereka memiliki kompetensi untuk bekerja di Perusahaan. Kedua lembaga pendidikan tersebut adalah Program Pelatihan Industri (PPI) dan Akademi Teknik Sorowako.

Keterlibatan pekerja lokal di perusahaan kontraktor maupun pemasok menjadi salah satu bentuk manfaat ekonomi tidak langsung dari kehadiran Perusahaan. Mereka mendapatkan upah sebagai imbal jasa pekerjaan untuk memenuhi kebutuhan sehari-hari. [EC9]

Perusahaan menerapkan pedoman perilaku dan kebijakan praktik bisnis etis. Melalui ketentuan ini setiap kontraktor, pemasok maupun investor harus menghindari segala praktik bisnis yang bertentangan dengan undang-undang maupun hak asasi manusia (HAM). Demikian pula, Perusahaan mensyaratkan agar vendor memiliki kebijakan keamanan dan kesehatan kerja, serta pengelolaan risiko, yang juga mencakup pengelolaan lingkungan. [HR1] [HR2]

Ada sekitar 67 pemasok yang teridentifikasi mempunyai risiko tinggi terhadap HAM. Untuk mengantisipasi hal ini, Perusahaan dengan tegas menolak kontraktor, pemasok maupun investor melakukan hal-hal sebagai berikut:

1. Mempekerjakan anak atau pekerja di bawah umur.
2. Melakukan pemaksaan kerja.
3. Memberikan imbal jasa pekerjaan di bawah ketentuan UMR.
4. Membiarkan kondisi kerja yang buruk.
5. Memberikan keamanan dan kesehatan yang tidak layak.
6. Mengintimidasi pekerja yang mempertahankan hak mereka.
7. Mengintimidasi atau mengancam karyawan PT Vale.

We owned two educational institutions to train employee candidates, so that they will have the competencies to work in the Company. The two institutions are Industrial Training Program (PPI) and Sorowako Technical Academy.

The involvement of local workers in the contractor firms as well as suppliers is one of the indirect economic benefits from the presence of the Company. They receive wages as a compensation to meet their daily needs. [EC9]

The Company applies code of conduct and ethical business practice policy. Under these provisions, every contractor, supplier and investor is required to avoid any business practice that is against the laws and human rights. The Company has also requires all vendors to have occupational safety and health policy, as well as the risk management, that also covers environmental management. [HR1] [HR2]

Approximately 67 suppliers are identified to have high risk to human rights. To anticipate this, the Company is firmly against contractors, suppliers and investors to do the following actions:

1. Employment of child or underage worker.
2. Committed of forced labor.
3. Payment of compensation below regional minimum wage.
4. The Omission of poor working condition.
5. Provision of inadequate safety and health.
6. Intimidating workers who that defend their rights.
7. Intimidating or making threats of PT Vale employees.

EMPLOYEE TURNOVER

During the year of 2011, there were 284 new employees or 8.8% of total employees who have left the company.

KEPERGIAN (TURNOVER) KARYAWAN

Sepanjang tahun 2011 ada 284 karyawan baru atau 8,8% dari total karyawan yang meninggalkan.

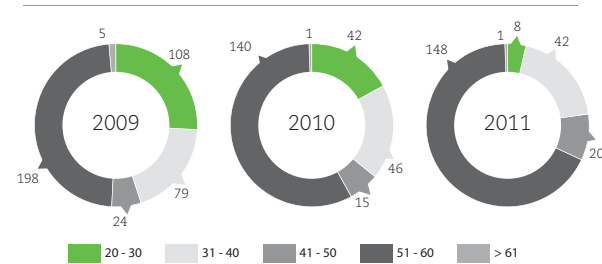
Jumlah Kepergian Karyawan Tetap [LA2]

Total Employees Turnover

Keterangan	2009	2010	2011	Remark
Pensiun Dini	16	3	3	Early Retirement
Kontrak Selesai	175	53	42	End of Contract
Kasus Industri	8	4	11	Industrial Case
Berhenti karena alasan kesehatan	4	1	2	Medical Termination
Pensiun	156	134	110	Retirement
Pengunduran Diri	44	45	49	Resignation
Permintaan Manajemen (Pindah ke Grup Vale lain)	9	0	1	Organization Requirement (Move to Other Vale)
Meninggal Dunia	2	4	1	Passed Away
Total	414	244	219	Total

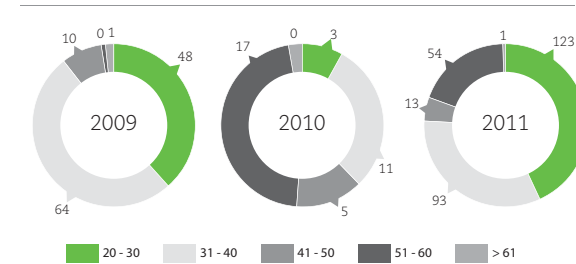
Tingkat Kepergian Karyawan Berdasarkan Usia [LA2]

Employee Turnover Rate Based on Age



Jumlah Karyawan Baru Berdasarkan Usia [LA2]

Number of New Employees Based on Age



IMBAL JASA PEKERJAAN

Kami memberikan imbal jasa diatas ketentuan upah minimum regional (UMR) yang berlaku. Besaran imbal jasa pekerjaan untuk jabatan terendah pada tahun 2011 adalah Rp2.967.000. Jumlah tersebut lebih besar 269% dari UMR Provinsi Sulawesi Selatan, yaitu Rp1.100.000. [EC5]

Perusahaan tidak membedakan karyawan laki-laki dan perempuan dalam menentukan besaran imbal jasa pekerjaan. Perbedaan yang terjadi disebabkan karena golongan kepegawaian, penilaian kinerja, posisi/jabatan dan lama kerja. [LA14]

COMPENSATION

We have provide the compensation above current regional minimum wage (UMR). The amount of salary for employees at the lowest position in year 2011 was Rp 2,967,000. The amount was higher by 269% than the regional minimum wage of South Sulawesi Province's that amounted of Rp1,100,000. [EC5]

The Company does not differentiate between male and female employees in determining the amount of compensation. The difference that may arise is due to employee rank, performance assessment, position/job title and years of service. [LA14]

Imbal Jasa Karyawan [LA14]

Employee Compensation

Kategori Karyawan	Jumlah Karyawan Number of Employees	Rasio gaji pokok perempuan/laki-laki Ratio of basic salary women / men	Employee Category
Direktur	5	1.0	Directors
Manajer Senior	8	1.0	Senior Managers
Manajer Madya	42	1.3	Middle Managers
Penyelia	97	1.2	Supervisors
Spesialis	894	1.0	Specialists
Teknisi	2,164	1.0	Technician

PT Vale juga tidak membedakan penyediaan fasilitas kerja maupun jenis pekerjaan yang bisa mengindikasikan terjadinya praktik diskriminasi. Meski demikian, merujuk Pasal 76 Undang-Undang No.13 Tahun 2003 Tentang Ketenagakerjaan dan ketentuan dalam PKB, Perseroan memberikan beberapa kemudahan bagi karyawan perempuan/karyawati dengan mempertimbangkan sifat kodrati mereka, di antaranya memberikan hak cuti haid dan melahirkan, serta jaminan bekerja kembali pascacuti. Pada tahun 2011, semua karyawati (100%) kembali bekerja setelah mengambil cuti melahirkan. [LA14] [LA15]

Sementara itu, untuk kompensasi dan bantuan yang diberikan kepada karyawan dibedakan berdasarkan status kepegawaian. Namun pada intinya, sebagian fasilitas diberikan sama antara karyawan tetap dan kontrak. Hanya beberapa tunjangan saja yang membedakan, misalnya tunjangan hari raya (THR) yang tidak diberikan pada karyawan kontrak. Aturan perbedaan maupun semua daftar fasilitas tertulis di PKB. [LA3]

PT Vale does not make any differentiation in providing work facilities or type of work that may indicate the occurrence of discrimination practice. However, pursuant to Article 76 of Law No. 13 of 2003 on Manpower and provisions in the CLA, the Company provides several facilities for female employees with regards to their nature, such as menstrual leave and maternity leave, as well as guarantee of reemployment after their leave. In 2011, all female employees (100%) returned to work after taking maternity leave. [LA14] [LA15]

Meanwhile, the compensation and assistance to employees are provided based on their employment status. Basically, some similar facilities are provided for both permanent and contract employees. Only a few benefits that distinguishes it, such as holiday allowance (THR) that is not provided for contract employees. Rules Regulation of differentiation as well as every facility that is stated in the CLA. [LA3]



Fasilitas Gym | Gym Facility

PENSIUN KARYAWAN

Sesuai PKB, usia pensiun normal karyawan PT Vale adalah 55 tahun, dengan masa persiapan pensiun (MPP) selama empat bulan. Selama tahun 2011 tercatat ada 110 karyawan tetap Perusahaan yang pensiun.

Secara umum, kami menyelenggarakan program khusus untuk karyawan yang akan pensiun. Program ini bertujuan agar mereka dapat melanjutkan kehidupan sehari-hari melalui kegiatan lain yang bisa membiayai kebutuhan hidupnya. Kegiatan persiapan pensiun yang dilaksanakan antara lain adalah *in-house training* dengan topik *health & psychological, finance management, small business, agriculture, animal & fish farming*. Pelatihan diikuti 38 karyawan yang akan pensiun. Secara khusus, pada tahun 2011, karena adanya restrukturisasi organisasi, perusahaan membantu karyawan yang harus berpindah kerja dengan memberikan bantuan penempatan kerja. [LA11]

Dalam situasi tertentu, karyawan yang telah pensiun dapat bekerja kembali atau mendapatkan perpanjangan masa kerja, namun tidak pada posisi semula dan hanya untuk proyek khusus. Hal ini juga harus disetujui oleh *Chief Executive Officer (CEO)* atau *Chief Operating Officer (COO)*. [LA11]

Perusahaan telah mendirikan Dana Pensiun International Nickel Indonesia, sebagai pihak yang mengelola dana pensiun yang terpisah secara hukum dan membayarkan manfaat pasti atas pensiun, cacat, atau kematian kepada karyawan yang telah memenuhi masa kerja tertentu. Saldo dana pensiun tahun 2011 adalah 49,6 juta dolar AS, lebih tinggi dibandingkan tahun 2010 yang adalah 48,3 juta dolar AS. [EC3]

EMPLOYEE RETIREMENT

Pursuant to CLA, the normal retirement age for the employee of PT Vale is 55 years old, with four-month retirement preparation period (MPP). During year 2011, there were 110 permanent employees who have retired.

In general, we have organized a special programs for the employees who will be retiring. The program aims is to enable them to continue their daily lives through other activities that can support their needs. The retirement preparation activities include in-house training on health & psychological topics, finance management, small business, agriculture, animal & fish farming. The training was attended by 38 employees who would be retiring. In particular, in 2011, respond to an organizational restructuring, the company helped employees who had to be terminated by providing job placement assistance. [LA11]

In certain situations, employees who have retired may possibly be reemployed or receive an extension of tenure, although not in their original position and only for special projects. This also must be approved by the Chief Executive Officer (CEO) or Chief Operating Officer (COO). [LA11]

The Company has set up the International Nickel Indonesia Pension Fund, as an agency who manages pension funds legally separate and pays defined benefits on retirement, disability, or death for employees who meet certain tenure. The balance of the pension fund in year 2011 was US\$49.6 million, higher than in 2010 which was US\$48.3 million. [EC3]



Perawatan Kesehatan Karyawan Vale | Vale Employee Healthcare

Kami juga mengalokasikan sekitar 2 hingga 4% dari pendapatan karyawan, ditambah 4 sampai 10% dari dana Perusahaan untuk rencana tabungan masa depan, di samping adanya dana pensiun sebagai program iuran manfaat pasti (*defined benefit*). Iuran manfaat pasti ini akan di kaji ulang di tahun 2012 untuk disesuaikan dengan kebutuhan karyawan dan kemampuan perusahaan. Karyawan juga diikutsertakan pada Jaminan Sosial Tenaga Kerja (Jamsostek) sesuai peraturan, kecuali untuk perawatan kesehatan karena Perusahaan mempunyai program cakupan kesehatan yang lebih lengkap. [EC3]

We have also allocated about 2 up to 4% of employee earnings, plus 4 up to 10% of the Company's fund for future savings plan, with additional of pension fund as defined benefit program. Contributions of defined benefit will be reviewed in the year 2012 in order to adjust to the employees' needs and the capability of the company. Employees are also registered in The Workers' Social Security (Jamsostek) in accordance with the laws, with exceptional for health care because the Company has its own private health program with more complete coverage. [EC3]

SERIKAT PEKERJA

Kami memberikan kebebasan kepada semua karyawan untuk membentuk serikat pekerja (SP) dan menjamin tidak ada tekanan dalam bentuk apapun terhadap mereka yang menjadi pengurus maupun anggotanya. Keberadaan SP di lingkungan Perusahaan saat ini adalah Federasi Serikat Pekerja Kimia, Energi, Pertambangan, Minyak, Gas Bumi dan Umum (FSP-KEP) Unit Kerja PT Vale Sorowako, serta Federasi Serikat Perjuangan Buruh (FSPBI). [HR5]

Hingga akhir tahun 2011, jumlah karyawan yang menjadi anggota serikat pekerja FSP-KEP sebanyak 2,775 orang, atau 86.4% dari seluruh karyawan tetap dan FSPBI sebanyak 40 orang, atau 1.2%. Keberadaan semua SP ini tetap mengacu pada PKB dan menjadi pedoman bila ada penyelesaian perselisihan hubungan industrial. PKB yang berlaku saat ini adalah PKB XIV yang telah mendapatkan penetapan di Direktorat Jenderal Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja, Kementerian Tenaga Kerja dan Transmigrasi melalui Surat Keputusan No.Kep.73/PHIJSK-PKKAD/PKB/VI/2011. [LA4]

Di dalam PKB, juga terdapat pemberitahuan minimum 14 hari bagi karyawan yang akan melakukan rotasi/mutasi. Namun demikian, belum ada kausal khusus terkait pemberitahuan perubahan operasional perusahaan yang signifikan, karena kami mengacu pada peraturan Bapepam dan Anggaran Dasar Perusahaan. [LA5]

LABOR UNION

We give freedom to all employees to form labor union (SP) and ensure there is no pressure of any kind to those who are administrators or members. The current labor unions groups along within the Company are the Federation of Chemical, Energy, Mining, Oil, Natural Gas and General (FSP-KEP), Labor Union of PT Vale Sorowako Unit, and Federation of Labor Struggle (FSPBI). [HR5]

By the end of 2011, the number of employees who became FSP-KEP members was 2,775 people, or 86.4% of total permanent employees and number of FSPBI was 40 people, or 1.2%. These unions still refer to the CLA which serves as the guideline if there is no settlement in industrial disputes. The current CLA is CLA XIV that has received authorization from Directorate General of Industrial Relations and Workers' Social Security, Ministry of Manpower and Transmigration through Decree No.Kep.73/PHIJSK-PKKAD/PKB/VI/2011. [LA4]

According to the CLA, there is also a minimum of 14 days notice to the employees who will be rotated/transferred. However, there has been no specific causal related to notice on significant changes in the company operations, as we referring to Bapepam regulations and the Company's Articles of Association. [LA5]



Penyuluhan PKB | CLA Counseling

JAM KERJA DAN LEMBUR [HR7]

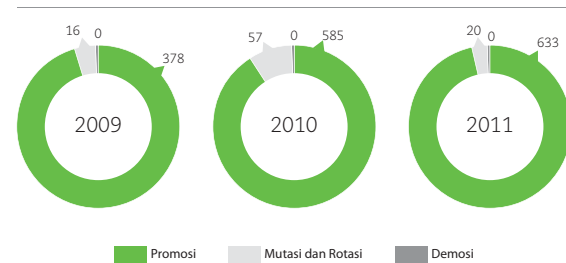
Sesuai UU Ketenagakerjaan, Perusahaan tidak mewajibkan karyawan untuk bekerja melebihi jam kerja yang telah ditentukan. Kebijakan ini dilandasi keinginan kami untuk menghindari segala bentuk kerja paksa terhadap karyawan. Namun demikian, dengan alasan operasional, Perusahaan dapat meminta karyawan bekerja lembur dengan hak atas perhitungan upah lembur, mengacu pada Keputusan Menteri Tenaga Kerja No.Kep 102/Men/VI/2004.

PENGEMBANGAN KARYAWAN

Program manajemen bakat dan pengembangan karyawan akan terus menjadi prioritas di masa mendatang.

Selama tahun 2011 ada 1,068 karyawan tingkat staf hingga manajemen senior atau 33.3% dari seluruh karyawan tetap yang mendapatkan penilaian. Mereka adalah bagian dari program pengembangan dan perencanaan karir karyawan. Dari jumlah tersebut, sebanyak 633 karyawan dari berbagai tingkatan telah mendapatkan promosi internal. [LA12]

Jumlah Pegawai Penerima Penilaian Kerja [LA12] Number of Employees Receiving Assessment



WORKING HOURS AND OVERTIME [HR7]

In accordance with the Labor Law, the Company does not require employees to work beyond the established working hours. This policy is based on our intention to avoid any forms of forced labor. However, due to operational reasons, the Company may require employees to work overtime with the compensation of overtime payment, which refers to the Ministry of Manpower Decree No.Kep 102/Men/VI/2004.

EMPLOYEE DEVELOPMENT

Talent management program and employees development will continue to be our priority in the future.

During 2011, there were 1,068 employees at staff level to senior management or 33.3% of all permanent employees who have received assessment. They are part of the employees development and career planning program. From this summary, a total amount of 633 employees at various levels have received internal promotions. [LA12]



Pelatihan Karyawan Vale | Vale Employee Training

PELATIHAN

Secara berkesinambungan, Perusahaan menyelenggarakan pelatihan bagi karyawan sesuai dengan standar kualifikasi profesional dan teknikal yang diakui dalam industri pertambangan. Kualifikasi yang menjadi acuan adalah tolok ukur nasional yang dikelola oleh Badan Nasional Sertifikasi Profesi (BNSP) dan juga tolok ukur internasional seperti kerangka kerja kualifikasi Australia.

TRAINING

The Company continually holds training for its employees in accordance with the standards of professional and technical qualifications recognized in the mining industry. The reference of qualification is national benchmarks managed by the National Professional Certification (BNSP) as well as international benchmarks such as the Australian qualifications framework.

During 2011, there were 9.79 training hours per employee for a total of 63,685 employees

Pelatihan dan Jam Pelatihan Karyawan 2011 [LA10] Employee Training and Training Hours

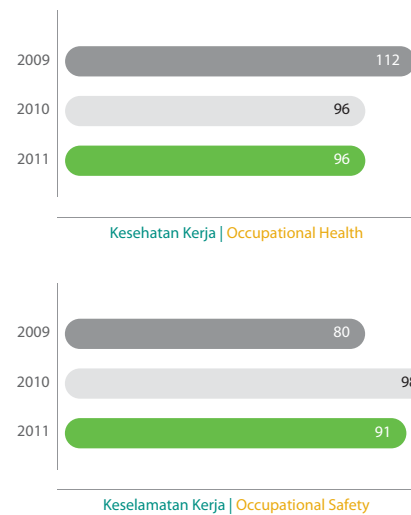
Jenis Pelatihan Type of Training	Operasional Operations		Staff Staff		Manajer Manager	
	Jumlah Peserta Number of Participants	Jam Pelatihan Training Hours	Jumlah Peserta Number of Participants	Jam Pelatihan Training Hours	Jumlah Peserta Number of Participants	Jam Pelatihan Training Hours
Sertifikasi Certification	7,079	84,784	10,338	107,383	318	2,363
Manajemen Management	1,380	18,385	2,777	57,923	106	2,060
Umum General	12,430	57,124	5,329	27,492	236	1,440
Teknis Fungsional Technical and Functional	20,739	222,566	2,895	41,031	58	881
Total	41,628	382,859	21,339	233,829	718	6,744

KESEHATAN DAN KESELAMATAN KERJA (K3)

Perusahaan memperhatikan benar segala hal terkait aspek keselamatan dan kesehatan kerja (K3). Pendekatan yang dilakukan dimulai dengan menimbulkan kesadaran dan pentingnya mengurangi risiko tersebut, misalnya dengan membentuk Komite Peningkatan Kesehatan dan Keamanan Lingkungan dan juga Departemen Komite Keamanan, serta menyelenggarakan forum bulanan untuk kontraktor dan pertemuan mingguan di Departemen Keamanan.

Bersama perwakilan karyawan, Perusahaan membentuk Komite Bersama K3LH. Secara keseluruhan jumlah karyawan yang terlibat dalam komite selama tahun 2011 ada 91 orang atau 2,83 % dari keseluruhan karyawan tetap. [LA6]

Jumlah Pegawai Dalam Kepengurusan K3LH [LA6]
Number of Employees in HSE Joint Committee



OCCUPATIONAL SAFETY AND HEALTH (OSH)

The Company keep on paying attention to everything related to occupational safety and health (OSH) aspects. The initial approach is to raise awareness on the importance of reducing the risk, such as by establishing the Environment Health and Safety Improvement Committee and the Department Safety Committee, as well as organizing a monthly forum for contractors and weekly meetings in the Safety Department.

Together with the employee representatives, the Company has established the HSE Joint Committee. The total number of employees involved in the committee in 2011 was 91 people or 2.83% of total employees. [LA6]



Latihan Keselamatan Vale | Vale Safety Practice

Pemenuhan aspek K3 juga diatur dalam PKB tentang Keselamatan dan Perlindungan Kerja, diantaranya adalah mengenai alat pelindung diri (APD), pendidikan dan pelatihan K3, mekanisme keluhan dan pengaduan, serta hak untuk menolak pekerjaan yang tidak aman. Beberapa hal yang tidak masuk dalam PKB, muncul menjadi kebijakan Perusahaan, diantaranya mengenai standar K3 untuk menjelaskan peranan tiap tingkat karyawan. [LA9]

Compliance with the OSH aspects is also stipulated in CLA on Occupational Safety and Protection, including the personal protective equipment (PPE), OSH education and training, complaints and grievance mechanisms, and the right to refuse unsafe work. Several issues are not included in the CLA, but become the Policy of Company. This is including the OSH standard to describe the role of each rank of employee. [LA9]

Kebijakan/Prosedur K3LH
HSE Policies and Procedures

Kebijakan dan Prosedur Policy and Procedure	Uraian Description
Standar Bahaya Utama Major Hazard Standards (MHS)	Aturan dan panduan untuk mencegah kondisi bahaya di tempat kerja. MHS consists of various regulations and guidelines which should be abided by the employees to prevent hazardous conditions at work.
Aturan Utama	10 aturan utama untuk mencegah kecelakaan fatal. Pelanggaran terhadap aturan ini dapat dikenai sanksi pemutusan hubungan kerja.
Golden Rules	10 main rules which as pre-cautions to hazard situation. Violations to the Golden Rules might cause into fatal accidents. Termination of Employment will be imposed on violations of these rules.
Pelaporan Aspek Keselamatan Site Safe Reporting	Sistem pelaporan kecelakaan dan kondisi berbahaya. Reporting system of accidents and hazardous conditions which is useful to increase awareness and compliance on safety aspect.
Pengembangan Audit Keselamatan Advanced Safety Audit (ASA)	Sistem Pengawasan aspek keselamatan kerja meliputi manajer lini hingga manajemen perusahaan. Monitoring system of work safety aspect which starts from the line of managers into the Top management of the company.

Kesungguhan kami dalam memperhatikan aspek K3 di setiap kegiatan Perusahaan membuahkan hasil menggembirakan. Salah satunya adalah pelaksanaan proyek pembangunan PLTA Karebbe yang menghasilkan 9,4 juta jam kerja tanpa kecelakaan. [LA7]

Our seriousness in recognizing the OHS aspects in any of Company activities has yielded encouraging results. One of them is the implementation of Karebbe hydro power plant development project that resulted in 9.4 million work hours without injury. [LA7]

Selain itu kami juga mendapatkan penghargaan berupa:

1. Medali emas untuk Penyelamatan dari Sudut Tinggi dan Latihan Kebugaran Pemadam Kebakaran.
2. Medali perak untuk kategori pemadaman kebakaran.

We have also received the following awards:

1. The gold medal for the Rescue from Up-High Angle and Firefighter Fitness Exercise.
2. Silver medal in the category of fire fighting.

However, in some cases, we have also recorded the occurrences of work accidents as by the end of 2011, this has sum as four incidents.

Namun demikian, kami juga mencatat adanya peristiwa kecelakaan kerja yang terjadi hingga akhir tahun 2011, sejumlah empat peristiwa.

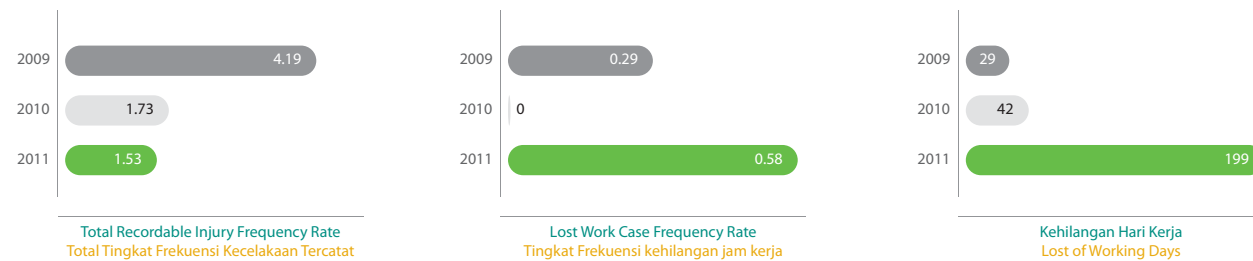
Total Kecelakaan Kerja* [LA7]
Total Work Accidents

Tipe Kecelakaan Kerja	2009	2010	2011	Types of Work Accident
Ringan**	0	0	0	Medical Aid**
Sedang dan Berat***	3	3	4	Lost Time Injury / Disabling Injury***
Fatal	0	0	0	Fatality
Total	3	3	4	Total

* Jumlah tidak mencakup kontraktor | Total numbers do not include contractors
 ** Ringan: Pengobatan medis dan bantuan pertama pada kecelakaan | Medical treatment and first aid care
 *** Sedang dan berat: Pembatasan kerja dan kehilangan jam kerja | Restricted work case and Lost work case

Tingkat Injury Rate (IR) dan Frequency Rate (FR)* [LA7]
Injury Rate and Frequency Rate

* Jumlah tidak mencakup kontraktor
Total numbers do not include contractors



Beberapa strategi yang dilakukan untuk mengurangi kecelakaan kerja:

1. Merancang kembali peralatan untuk mengurangi penggunaan tenaga kerja, sehingga keterlibatan manusia dalam mengoperasikan alat berkurang.
2. Memastikan semua pekerja mempunyai sertifikat kesehatan.
3. Mengikuti standar perlakuan barang yang tergolong berbahaya, terutama bahan kimia. [PR1]

Several of strategies in order to reduce the work accidents:

1. Redesign the equipment to reduce the involvement of manpower, thus human contacts in operating the equipment can be reduced.
2. Ensure that all of the workers have a the health certificate.
3. Follow standard treatment of dangerous goods, especially for chemicals material. [PR1]

Di bidang kesehatan kerja, berdasarkan lingkup pekerjaannya, terdeteksi risiko karyawan terhadap beberapa penyakit, seperti misalnya debu dan suara yang dapat menimbulkan gangguan pendengaran dan penyakit kulit. Lingkungan kerja juga dapat menimbulkan penyakit, sehingga perlu kewaspadaan, misalnya terhadap Demam berdarah dan Tuberculosis. Untuk menanggulangi penyakit ini, Perusahaan meningkatkan keadaan lingkungan kerja yang sehat dengan menyediakan ruang istirahat, ruang makan, kamar mandi/WC, dan fasilitas kantin yang terjaga kebersihannya. Perusahaan juga menyelenggarakan pemeriksaan kesehatan rutin bagi karyawan dan melakukan analisis terhadap rekam medis mereka. [LA8]

In the occupational health aspects, based on the scope of work, the employee risks are detected against some diseases, such as dust and noise that may cause hearing loss and skin diseases. The working environment can also able to cause diseases, which requires necessary precautions, such as dengue fever and Tuberculosis. To prevent this diseases, the Company has improved the healthy working environment by providing break room, dining room, bathroom/lavatory and canteen facilities in clean condition. The company has also maintain regular health examinations for employees and analyzes their medical records. [LA8]

Perusahaan juga melaksanakan berbagai kegiatan yang bersifat promotif dan preventif untuk mencegah penyakit berbahaya maupun penyakit akibat kerja. Kegiatan tersebut tidak hanya ditujukan untuk karyawan, tetapi juga bagi keluarga maupun masyarakat sekitar. [LA8]

The company has also organized various promotive and preventive activities to curb dangerous and occupational diseases. These activities are not only addressed to the employees, but also to their families and the surrounding communities. [LA8]

Kegiatan Kesehatan Kerja dan Kesehatan Masyarakat [LA8]
Public Health and Occupational Health Activities

Penyuluhan/ Promotif | Promotive

- | | |
|--|--|
| <p>1. Media Edukasi melalui intranet : Berkemas 2011</p> <p>2. Media Edukasi melalui Leaflet : Solusi berhenti merokok, mengenal Kolesterol, Bahaya perokok pasif, Mengenal nyamuk Aedes penyebab Demam berdarah, Tuberculosis, Meningkatkan kualitas hidup dengan pengaturan makanan bergizi</p> <p>Penyuluhan dan Kegiatan:</p> <ul style="list-style-type: none"> * Sehat dengan menggunakan obat secara rasional * Manfaat dan kerugian penggunaan vitamin dan suplemen makanan * Demam berdarah mengintai kita * Medical Check up Rumah Sakit INCO * Sosialisasi pelayanan kesehatan di luar Sorowako | <p>1. Educational Media via the intranet : Berkemas 2011</p> <p>2. Educational Media by Leaflet : Solution to stop smoking, Recognizing Cholesterol, Risk of passive smoker, Recognizing Aedes mosquito that causes Dengue fever, Tuberculosis, Improving quality of life with nutritious food</p> <p>Counseling and Activities:</p> <ul style="list-style-type: none"> * Healthy with rational use of medicine * Advantage and disadvantage of consuming vitamin and food supplement * Dengue fever threats * Medical Check up at INCO Hospital * Dissemination of medical treatment outside Sorowako |
|--|--|

Pencegahan / Preventif | Preventive

Hepatitis B	766	37	520	Hepatitis B
Infuenza	1489	57	325	Infuenza
Anti Typoid	12	23	18	Anti Typoid
Anti Rabies	5	1	12	Anti Rabies
(DPT,HIB,Polio)		412	71	(DPT,HIB,Polio)
Radang Paru-paru untuk Dewasa		17	18	Pneumonia for Adults
Radang Paru-paru untuk anak		142	17	Pneumonia for children

Pengobatan / Kuratif | Curative

HIV (penderita)	Not Recorded	HIV (patient)
Tuberculosis (kunjungan 2011)	Not Recorded	Tuberculosis (2011 visit)



Pemeriksaan Kesehatan Guna Memastikan Sertifikat Kesehatan | Medical Check Up Ensuring The Health Certificate



Masyarakat Menikmati Alam
Community Is Enjoying The Nature

Kinerja Keberlanjutan Sosial dan Kemasyarakatan

Sustainable Social Performance and Society [SO1]

We plan to review all of stakeholder's needs, relationship management, and the development of strategies for future CSR activities in a road map that have a more definite goal.

HUBUNGAN DENGAN MASYARAKAT

Perusahaan terus berupaya agar kegiatan operasi yang dilakukan dapat berjalan selaras dengan kehidupan masyarakat setempat dan mendukung prakarsa Millenium Development Goals (MDGs). Keberadaan Perseroan diharapkan dapat memberikan nilai tambah bagi kehidupan mereka, terutama terkait dengan pengembangan potensi ekonomi.

Semua upaya ini membuahkan hasil berupa dukungan dari masyarakat, sebagai bentuk lisensi sosial (*social license*) bagi Perseroan. Namun demikian, tantangan dan hambatan tetap terjadi sebagaimana umumnya perusahaan tambang. Beberapa kejadian tersebut adalah: [SO9]

1. Adanya renegotiasi kontrak karya yang menyebabkan pemblokiran jalan oleh masyarakat setempat selama hampir seminggu.
2. Beberapa unjuk rasa terkait rekrutmen masyarakat sekitar yang tidak dapat diterima bekerja juga sering muncul dan menyebabkan gangguan.
3. Isu buruh pada kontraktor Perusahaan, walaupun tidak terkait langsung, namun berdampak negatif karena kontraktor bekerja pada Perusahaan. Unjuk rasa ini berlangsung hampir 2 minggu dan menyebabkan beberapa bagian operasi perusahaan terhenti. [SO8] [MM5]

Untuk menghadapi tantangan tersebut, Perusahaan tidak henti-hentinya berdialog dan menciptakan komunikasi guna mendekatkan diri kepada masyarakat untuk memberikan pengertian. Upaya ini terus dilakukan dengan melibatkan Pemerintah daerah, serta organisasi kemasyarakatan. [SO10]

RELATIONS WITH THE COMMUNITY

The Company strives to resemble its operations activity in harmony with the lives of local community and supports the Millenium Development Goals (MDGs) initiative. The Company's presence is expected to bring value into their lives, in the development of economic potentials.

The whole efforts have resulted in the support of the community, as a social license for the Company. However, there are still challenges and obstacles that becoming generally faced by mining companies. Some of these incidents are as follows: [SO9]

1. Renegotiation of work contract that caused road blockade for a week by the residents.
2. Several demonstrations regarding local residents who have failed the recruitment process also caused frequent disruptions.
3. Labor issues in the Company's contractor, which may not be directly related, but has negative impact as the contractor works for the Company. The demonstrations take place for about two weeks and halted some of the Company's operational units. [SO8] [MM5]

To address these challenges, Company continuously holds on the dialogue and create closer communication with the community in order to reach better agreement. These efforts are continually made by the involvement of local governments and community organizations. [SO10]

Selain tantangan sosial, kami juga menyadari adanya keharusan untuk memperhatikan lingkungan. Keterbatasan ketersediaan sumber daya alam, termasuk cadangan bijih nikel menjadi perhatian penting. Dalam jangka panjang, Perusahaan berusaha meniadakan ketergantungan masyarakat kepada kami apabila sudah tiba saatnya tambang harus berhenti beroperasi. Oleh karena itu, Perusahaan juga membangun prasarana ekonomi yang berkelanjutan sehingga dapat mendatangkan kesejahteraan bersama. [SO5]

Sejak 2007, kami merancang program 'Penutupan Tambang yang Terencana' dan berlaku di seluruh wilayah penambangan. Dalam pelaksanaannya, program tersebut dijalankan bertahap untuk meminimalkan dampak negatif kegiatan Perusahaan.

Penerapan program ini dilaksanakan dengan cara:

- Memastikan daerah lahan yang terbuka seminimal mungkin.
- Memastikan kualitas air buangan tambang atau limbah dari daerah operasi tidak melewati ambang batas baku mutu yang ditentukan.
- Memastikan kepatuhan atas standar dan protokol Analisis Dampak Lingkungan (Andal).
- Memastikan dilaksanakannya praktik terbaik rehabilitasi lahan.

Secara keseluruhan, selama tahun 2011 tidak ada lokasi penambangan yang ditutup. Adapun implementasi program pascatambang tetap meneruskan *Sorowako Heritage Program* atau Program Warisan Sorowako. Program ini diharapkan akan menjadi penggerak aktivitas dan pertumbuhan ekonomi yang dapat dimanfaatkan masyarakat setempat. Kami juga telah menyelesaikan desain akhir fasilitas tapak konservasi rusa (*Cervus timorensis*) dan tapak anoa (*Buballus quarlesi* dan *depreycornis*) yang rencana pembangunannya akan dimulai pada tahun 2011. Hingga akhir tahun, desain ini masih dalam peninjauan untuk pembangunan.

Other than social challenge issues, we have also acknowledge the necessity of paying attention to the environment. The limited availability of natural resources, including nickel ore reserves, is a major concern. In the long run, the Company strives to end the community dependency on us, whenever it comes time for the mine to end its operation. Therefore, the Company has also built infrastructure for sustainable economy that would bring prosperity. [SO5]

Since 2007, we have designed the 'Planned Mine Closure' program which is applied at all mining areas. In its implementation, this program has been carried out in few stages to minimize the negative impacts of the Company's operations.

The Implementation of the program is implemented by:

- Ensuring that the exposed area is minimized.
- Ensuring that mine effluent or waste from the operations is within the established threshold of quality standard.
- Ensuring adherence to Environmental Impact Analysis (Amdal).
- Ensuring the implementation of land rehabilitation on best practices.

Overall, during the year of 2011, no mining site that was closed. Meanwhile, post-mining program still continues the Sorowako Heritage Program. This program is expected to become a driver for economic activities and development for local community. We also have finished the final design of deer (*Cervus timorensis*) and anoa (*Buballus quarlesi* and *depreycornis*) well pad conservation facilities which had been planned to start construction in the year 2011. By the end of the year, this design was still being explored for development.

PENGEMBANGAN MASYARAKAT

Kami berkomitmen mendukung upaya pemerintah dalam meningkatkan kesejahteraan masyarakat, terutama di daerah operasional Perusahaan dan sekitarnya. Untuk itu, di tahun 2012 kami akan menyusun program penjangkauan kebutuhan (*need assessment*) dan perencanaan strategis yang berlaku selama lima tahun. Proses penyusunan program akan melibatkan pemerintah agar kegiatan yang dilakukan dapat melengkapi rencana pembangunan. Selain itu, kami juga melibatkan konsultan dan lembaga-lembaga non pemerintah yang memiliki kompetensi serta institusi akademis untuk membantu perencanaan, pelaksanaan dan pengawasan program pengembangan masyarakat.

Program yang dirancang akan difokuskan pada lima pilar, yaitu:

- Pendidikan
- Kesehatan
- Pemberdayaan ekonomi masyarakat
- Seni dan kebudayaan
- Olahraga

Untuk mendukung rencana pembuatan program dan kegiatan pengembangan masyarakat, selama tahun 2011 kami menyediakan dana sebesar 5,28 juta dolar. Jumlah tersebut turun dibandingkan dana tahun 2010 sebesar 6,4 juta dolar AS karena kinerja ekonomi yang mengalami transisi, serta pendekatan masyarakat yang kini menuju pada titik temu yang komprehensif. [EC8]

COMMUNITY DEVELOPMENT

We are committed to support the government's efforts in improving the community's welfare, especially in the operation area of the Company and its surroundings. Therefore, for the year 2012 we will develop the needs assessment program and the strategic planning for five years. The process of the program will involve the government so that the activities carried out will complement to the development plans. In addition, we also engage the consultants and NGOs who have the competence as well as academic institutions to assist in planning, implementation and monitoring of the community development programs.

The program is designed to focus on the five pillars, namely:

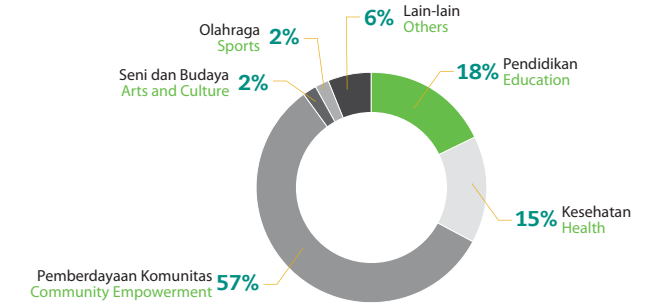
- Education
- Health
- Community economic empowerment
- Arts and culture
- Sports

To support the plan of community development programs and activities, during 2011 we provided funds for total sum of US\$5.28 million. The amount was lower than the funds in year 2010 of US\$6.4 million, this caused by the economic performance that is in transition, as well as the community approach that is now leading into a comprehensive meeting point. [EC8]

Anggaran Program Pengembangan Masyarakat
Community Development Program Budget

2009	2010	2011
\$7,200,000	\$6,400,000	\$5,280,000

Distribusi Anggaran 2011
2011 Budget Distribution



Biaya Tanggung Jawab Sosial Perusahaan [EC8]
Corporate Social Responsibility Cost

Total dana Pengembangan Masyarakat : US\$5,280,000

Terdiri dari:

Pendidikan	US\$ 942,197
Kesehatan	US\$ 807,589
Pemberdayaan Komunitas (Sektor ini terdiri dari pertanian, peternakan, perikanan dan UMKM)	US\$2,996,328
Seni dan Budaya	US\$ 113,807
Olahraga	US\$ 311,604
Others (Sektor ini terdiri dari pembiayaan infrastruktur dan realisasi komitmen manajemen)	

Total Community Development Fund: US\$5,280,000

Consist of:

Education
Health
Community Empowerment (This sector consists of agriculture, farming, fisheries and MSME)
Arts and Culture
Sports
Others (This sector consists of infrastructure financing and management commitment realization)



Pemberdayaan Komunitas | Community Development

Di bidang pendidikan, kegiatan yang diselenggarakan selama tahun 2011 adalah :

- Pemberian beasiswa bagi 600 pelajar setempat yang berprestasi, dengan total biaya sebesar 195.000 dolar AS.
- Program insentif pengembangan kompetensi mengajar dan peningkatan kualitas instruksi bagi 61 guru di kecamatan-kecamatan : Nuha, Wasuponda, Towuti dan Malili.
- Program taman bacaan untuk membangun perpustakaan masyarakat di beberapa desa di kecamatan-kecamatan : Nuha, Wasuponda, Towuti dan Malili.

Di bidang kesehatan, kegiatan yang dilakukan di antaranya adalah:

- Peningkatan kesadaran akan penyakit menular dan cara-cara pencegahannya, serta promosi pendidikan kesehatan di masyarakat.
- Pemberian sumbangan peralatan medis dan pengembangan fasilitas di beberapa pusat kesehatan masyarakat.
- Pemetaan kesehatan bekerja sama dengan lembaga swadaya masyarakat (LSM) "Empathy" bagi kelompok etnis Pasitabe (Padoe, karunsi'e dan Tambe'e) di Kecamatan Wasuponda.

Di bidang pemberdayaan ekonomi masyarakat, kegiatan yang dijalankan antara lain:

- Mendorong terciptanya UKM/UMKM yang dapat menopang perekonomian masyarakat, seperti bantuan permodalan pada industri rumah tangga pembuatan kripik pisang di Sorowako dan sirup dengan di Wawondula yang memanfaatkan ketersediaan buah dengan di Luwu Timur.

In education field, the activities that have been performed during year of 2011 were :

- Providing of scholarships for 600 outstanding local students, with total funds of US\$195,000.
- Incentive Program for Development of Teaching competency dan Instruction Quality Improvement for 61 teachers in the districts of Nuha, Wasuponda, Towuti and Malili.
- Reading center program to build libraries for the community in several villages of the districts of Nuha, Wasuponda, Towuti and Malili.

In the field of health, the activities that have been performed were including:

- Raising awareness of contagious diseases and their prevention, as well as promoting health education to the community.
- Providing donation of medical equipments and facility development at several community health centers.
- Health mapping in collaboration with non-governmental organization (NGO) Empathy for Pasitabe (Padoe, karunsi'e and Tambe'e) ethnic group in Wasuponda District.

In the field of community economic empowerment, activities that have been performed were as follows:

- Encouraging the creation of SME/MSME that can support the community's economy, such as providing capital assistance for home industry of banana chips production in Sorowako and dengan sirup in Wawondula which takes advantage of the supply of dengan fruit in East Luwu.



Pengembangan Kompetensi Mengajar
Development Of Teaching Competency

- Membantu program pertanian ramah lingkungan yang salah satunya adalah pembuatan pupuk kocor, yang memanfaatkan limbah organik pertanian dan rumah tangga. Kegiatan yang lain adalah peternakan unggas, yang terdiri atas peternakan ayam pedaging dan petelur, serta itik. Hasilnya, masyarakat telah mampu memenuhi sebagian kebutuhan masyarakat akan daging dan telur ayam di Luwu Timur.
- Membantu kegiatan budi daya rumput laut yang telah berkembang dengan sangat baik di Kecamatan Malili.
- Membantu program pertanian ramah lingkungan untuk petani kakao di Desa Parumpanai, Kecamatan Wasuponda. Petani diajarkan memproduksi pupuk curah dari limbah organik pertanian maupun rumah tangga, dan memanfaatkannya untuk tanaman kakao. Petani juga menerima bantuan pembelian 50 ekor kambing dan kotoran yang dihasilkan kemudian diolah sebagai pupuk cair organik.
- Membantu program penanaman lada bagi petani di Desa Bantilang, Kecamatan Towuti.

Di bidang seni dan budaya, kegiatan yang telah dilaksanakan, antara lain:

- Mendukung kegiatan Forum Kerukunan Umat Beragama (FKUB) untuk menginspirasi kerukunan antara masyarakat berbagai etnis, agama dan latar belakang budaya.

Di bidang olahraga, Perusahaan memberikan bantuan:

- Pelatihan dan mendukung kompetisi olahraga di tingkat lokal dan nasional.
- Keuangan untuk pembangunan fasilitas olahraga dan atlet.

- Assisting eco-friendly agriculture program including production of organic fertilizer that utilized agriculture and household organic waste. Other activities include poultry farming, consisting of layer and broiler chicken farms, as well as duck farm. As a result, the community have been able to meet people's needs of chicken meat and eggs in East Luwu.
- Assisting seaweed cultivation that has been developing very well in Malili District.
- Assisting eco-friendly agriculture program for cocoa farmers in Parumpanai Village, Wasuponda District. The farmers were taught to produce granular fertilizer agriculture and household organic waste, and reused it for cocoa plants. The farmers also received assistance to buy 50 goats and their manure were able to processed into liquid organic fertilizer.
- Assisting pepper planting program for farmers in Bantilang Village, Towuti District.

In the fields of arts and culture, the activities have been performed, include:

- Supporting the activities of Unity Forum for Religion (FKUB) to inspire the harmony among people from various ethnicity, religion and cultural background.

In the fields of sports, the Company has also provided assistance as follows:

- Training and support of local and national sports competition.
- Financial assistance to build sports and athlete facilities.

PROGRAM-PROGRAM UNGGULAN 2011

Budidaya Jamur Kotamata

Salah satu program pemberdayaan ekonomi yang dilakukan pada tahun 2011 adalah budidaya jamur merang oleh Kelompok Tani Muda Lingkar Tambang (Kotamata) di Sorowako. Kelompok tersebut memiliki dua unit kubung (rumah budidaya jamur merang) yang mampu menghasilkan 40 kilogram jamur merang setiap kali panen. Budidaya jamur sangat prospektif apalagi usia panen jamur merang (*Volvariella volvacea*) cukup cepat. Tiga belas hari setelah bibit berupa spora ditanam, jamur telah dapat dipanen hingga selama 20 hari berturut-turut. Harga jamur merang per dos berisi 30 ons, mencapai Rp 15.000,-, sehingga berdampak potensi pendapatan para petani sangat besar.

Hasil panen yang berlimpah membuat jamur merang Kotamata bukan hanya dipasok untuk Sorowako, melainkan sampai ke Morowali, Sulawesi Tengah. Untuk rencana mendatang, Kelompok Tani Kotamata yang kini memiliki enam orang anggota akan menambah kubung guna meningkatkan kapasitas produksi.

Pembuatan Pupuk Kocor di Parumpanai

Penduduk Desa Parumpanai, sekitar 20 kilometer dari Wasuponda, hidup dari pertanian. Mereka menanam padi, nilam, hingga sawit, dengan kakao yang merupakan pertanian terbesar. Untuk mendorong pertanian yang ramah lingkungan, Perusahaan memperkenalkan teknologi pupuk kocor, yakni pupuk organik berbahan baku kotoran kambing. Pupuk kocor mampu memulihkan zat hara tanah sekaligus menambah imunitas tanaman terhadap serangan hama. Pengenalan teknologi itu dilakukan melalui pelatihan dan penyuluhan. Perusahaan juga memberikan modal usaha bagi petani yang tergabung dalam Kelompok Tani Tunas Harapan untuk membeli 50 ekor kambing. Dari hasil kotoran kambing itu, kelompok yang beranggotakan 30 orang dengan luas lahan kakao mencapai 100 hektare tersebut, mampu memproduksi pupuk kocor.

FEATURED PROGRAMS OF 2011

Kotamata Mushroom Cultivation

One of the economic empowerment programs conducted in 2011 is the cultivation of edible mushrooms by the Young Farmers Group of Mine Circle (Kotamata) in Sorowako. The group has two mushroom cultivation units that are capable of producing 40 kilograms of mushroom at each harvest. Mushroom cultivation is highly prospective as it only takes a short time until the mushroom (*Volvariella volvacea*) ready to be harvested. Thirteen days after the seedlings in the form of spores are planted, the mushroom can be harvested for up to 20 days consecutively. Each box of mushrooms, containing 30 ounces, can be sold for up to Rp15,000, making a substantial earning potential for local farmers.

Abundant crops of Kotamata mushroom are not only supplied to Sorowako, but have delivered all the way to Morowali, Central Sulawesi. For future plans, Kotamata Farmers Group who has now six members will add cultivation units to increase production capacity.

Production of Organic Fertilizer in Parumpanai

Residents of Parumpanai Village, about 20 kilometers from Wasuponda, earn their living from agriculture. They grow rice, patchouli, palm, with cocoa as the largest cash crops. To encourage eco-friendly agriculture, the Company has introduced the technology of organic fertilizer production from goat manure. The organic fertilizer is able to restore soil nutrients and increase immunity of plants against pests. The technology introduced through training and counseling. The Company also provided working capital for farmers who are members of farmer groups Tunas Harapan to buy 50 goats. With manure of the goats, the group of 30 people with total land area of 100 hectares of cocoa plantation, is capable of producing organic fertilizer.

Hasilnya, produksi kakao berhasil meningkat lagi hingga 400 kilogram per hektar dari sebelumnya. Menurut Ketua Kelompok Tani Bersinar, Aminuddin, sebelum masyarakat Parumpanai mengenal teknologi pupuk kocor, dia adalah pemasok pupuk kimia terbesar di desanya. Tapi kini, dia sudah melupakan pupuk kimia itu.

Perkebunan Merica Desa Bantilang

Kabupaten Luwu Timur merupakan salah satu daerah penghasil merica berkualitas di Indonesia, yaitu di Desa Bantilang, Kecamatan Towuti. Prestasi ini bukan datang dengan tiba-tiba. Walau petani Bantilang telah menanam merica sejak tahun 1960-an, namun hasilnya tidak terlalu menggembirakan. Itulah sebabnya maka tingkat kesejahteraan warga Bantilang sangat memprihatinkan. Dari 397 kepala keluarga, ada 100 kepala keluarga yang hidup sangat miskin.

Keadaan ini berubah tatkala Perusahaan bersama dengan pemerintah desa setempat menggagas program pertanian merica. Menurut data dari Kepala Desa Bantilang, sejak program tanam merica digalakkan, warga miskin tinggal 30 jiwa. Bila sebelumnya penghasilan warga miskin di sana rata-rata Rp30.000 per bulan, sejak bertanam merica, pendapatan mereka dapat mencapai Rp8.000.000 per sekali panen 100 kg. Target selanjutnya, dalam dua tahun ke depan tidak ada lagi warga Desa Bantilang yang berstatus miskin.

As a result, the cocoa production has successfully increased into 400 kilograms per hectare than before. According to the Chairman of Farmers Group Bersinar, Aminuddin, before Parumpanai people know about the organic fertilizer technology, he used to be the largest supplier of chemical fertilizer in the village. But now, he has no longer intended to supply the chemical fertilizers.

Pepper Plantation of Bantilang Village

East Luwu Regency is one of quality pepper producing areas in Indonesia, which is in Bantilang Village, Towuti District. This is not a sudden achievement. Although Bantilang farmers have planted pepper since the 1960's, but the results have not been too encouraging. The level of welfare of Bantilang residents very low. From total of 397 households, 100 families have lived in poverty.

This situation has changed when the Company along together with the local village government initiated pepper cultivation programs. According to Bantilang Village Head, since the pepper planting program was launched, the poors were decreasing into only 30 people. While in the past the income of poor people there was on average Rp30,000 per month, since planting pepper, their income can reach Rp8,000,000 per 100 kg harvest. It is targeted that in the next two years there is no more Bantilang villagers with poverty status.



While in the past the income of poor people there was on average Rp30,000 per month, since planting pepper, their income can reach Rp8,000,000 per 100 kg harvest

Perkebunan Merica Desa Bantilang | Pepper Plantation Program of Bantilang Village



Fasilitas Sambungan Listrik | Power Supply Facility

PEMBANGUNAN INFRASTRUKTUR

Kami melanjutkan pembangunan infrastruktur yang telah dimulai selama ini, dengan fokus pada bantuan penyediaan fasilitas air bersih. Hal ini didasarkan pertimbangan masih banyaknya masyarakat yang kesulitan mengakses air bersih.

Selain itu keberadaan PLTA Karebbe yang telah dioperasikan pada kurun waktu periode pelaporan, juga memberikan manfaat langsung kepada masyarakat sekitar berupa tambahan pasokan listrik sebesar 3 MegaWatts (MW). Tambahan pasokan listrik diharapkan akan mendukung pertumbuhan dan kesejahteraan masyarakat sekitar.

INFRASTRUCTURE DEVELOPMENT

We continue the infrastructure development that has been started, with a focus on providing assistance of clean water facilities. It is based on the considerations that there are still many people who have difficulty in accessing clean water.

Furthermore, the Karebbe hydro power plant which has operated during the reporting period, has also provide direct benefits to the local community in the form of additional power supply of 3 MegaWatts (MW). The additional electricity supplies are expected to support the growth and prosperity of the surrounding communities.

PENANGANAN BENCANA ALAM

Sampai dengan akhir periode pelaporan, PT Vale tidak pernah dihadapkan pada situasi yang mempengaruhi kondisi finansial Perusahaan sebagai akibat dari fenomena perubahan iklim. Namun demikian, kami sempat menghadapi situasi akibat bencana alam gempa bumi, yang mengharuskan Perusahaan menghentikan kegiatan operasi. Oleh karenanya, sesuai Standar Prosedur Operasi (SOP) kami menyelesaikan semua prosedur yang dibutuhkan untuk memastikan kegiatan operasi dapat berjalan kembali dengan benar dan aman. [EC2]

Sebagai tindak lanjut dari peristiwa bencana alam gempa bumi tersebut, kami melakukan kerja sama dengan Badan Klimatologi, Meteorologi dan Geofisika (BKMKG). Melalui kerja sama ini, BKMKG segera melakukan studi lempeng untuk memetakan kemungkinan potensi gempa. Dengan demikian berbagai risiko yang bisa ditimbulkan akibat peristiwa bencana alam gempa bumi, bisa dikelola dengan baik dan dapat mencegah terjadinya hal-hal yang bisa mengancam keberlanjutan PT Vale. [4.11]

Akibat peristiwa gempa ini, sambungan listrik dan beberapa fasilitas masyarakat yang tersedia menjadi terganggu, sehingga Perusahaan memberikan bantuan perbaikan. Bersama masyarakat, kami membangun fasilitas yang rusak sehingga fasilitas - fasilitas tersebut dapat berfungsi kembali. Hal ini kami lakukan sebagai bentuk wujud tanggung jawab sosial terhadap masyarakat setempat.[SO1]

NATURAL DISASTER HANDLING

Untill the end of reporting period, PT Vale has never encounter an accourance that affect the Company financial condition, initiated from phenomenon of climate change. Inspite of that, we occasionally has confront a natural disaster, which is an earthquake that require us to call a halt to the operations. Therefore, we have followed all the procedure-checks based on Standard Operating Procedure, which is necessary to ensure the operations can resume properly and safely. [EC2]

As a further respond to this natural disaster, which is the earthquake, we have co-operates with Institute of Climatology, Meteorology, and Geo-Physic (BKMKG). Through this Cooperation, BKMKG immediately conducted a study on plate to mapping-out the possibility of an earthquake potential. Therefore the potential risk of another outburst of earthquake can be managed adequately and prevented any unexpected occurances that can influence the sustainability of PT Vale. [4.11]

Due to the earthquake, the power connections and some existing public facilities to were malfunctioned, so that the Company provided repairment assistance. Along together with the community, we rebuilt the damaged facilities so that the facilities can be work properly again. We did this as a manifestation of our responsibility towards local communities. [SO1]

HAK ASASI MANUSIA

Hal penting yang tidak boleh diabaikan dalam membina hubungan dengan para pemangku kepentingan, termasuk masyarakat sekitar lokasi Perusahaan adalah pengakuan dan penghormatan pada hak asasi manusia (HAM). Untuk itulah kami senantiasa menempatkan nilai-nilai universal HAM dalam membina hubungan dengan segenap pemangku kepentingan, dengan mengacu pada ILO Convention no.111 dan Undang-undang Pemerintah no.21/1999. [HR5]

Kesungguhan kami menghormati nilai-nilai universal HAM, membuahkan hasil dengan tidak adanya laporan terkait terjadinya dugaan pelanggaran HAM, terutama yang berhubungan dengan masyarakat setempat maupun karyawan. Demikian pula, selama tahun 2011 Perusahaan tidak dihadapkan pada situasi terjadinya aksi mogok karyawan, walaupun kami belum melakukan evaluasi khusus oleh pihak independen atau membuat prosedur khusus penyelesaian persoalan atas HAM. [HR4] [HR9] [HR10] [HR11] [MM4]

Kami juga belum melakukan pelatihan khusus terkait nilai-nilai universal HAM, baik yang ditujukan bagi para karyawan maupun tenaga satuan pengamanan (satpam). Namun, dari total satpam Perusahaan yang berjumlah 59 orang, dengan 398 tenaga alih daya, semuanya telah memiliki sertifikat pendidikan dasar dari Direktur Bimbingan Masyarakat Sulawesi Selatan dan Mabes Polri. Dari total 59 orang satpam, 40% sudah memiliki sertifikat pendidikan lanjutan. Baik pelatihan dasar maupun pendidikan lanjutan ini, nilai universal HAM sudah tercakup di dalamnya. Prestasi yang didapat satpam selama tahun 2011 adalah juara 2 lomba ketangkasan se-Sulawesi Selatan. [HR3] [HR8]

HUMAN RIGHTS

The important thing that should not be neglected in developing relationships with stakeholders, including communities around the Company is the recognition and respect to human rights. Therefore we always put the universal values of human rights in developing relationships with all stakeholders, by referring to the ILO Convention No.111 and Government Law No.21/1999. [HR5]

Our earnest to respect the universal values of human rights, has resulted in the absence of reports related to alleged human rights violations, particularly those associated with the local community and employees. As well as, during 2011 the Company was not faced with the situation of an employees strike, even though we have not been specifically evaluated by an independent party or make a special dispute settlement procedures on human rights. [HR4] [HR9] [HR10] [HR11] [MM4]

We have not held special training on the universal values of human rights for both employees and security officers. However, from the total of 59 security officers within the company, as well as 398 outsourced security officers, all of them have already taken the basic training certificate from the Director of South Sulawesi Community Guidance and National Police Headquarters. From a total of 59 security officers, 40% have already certified with advanced training. Universal values of human rights has taking place in either basic training or advanced training. The security officers' achievement during 2011 was being 2nd place at South Sulawesi agility competitions. [HR3] [HR8]

Kami berusaha menghindari perselisihan dengan masyarakat setempat, namun kesalahpahaman yang terjadi sejak tahun 1970-an dan hingga sekarang masih belum tuntas, pada tahun 2011 ini Perusahaan memberikan pemukiman kepada 57 Kepala Keluarga. Bantuan ini akan terus ditingkatkan sejalan dengan pembangunan infrastruktur di daerah tersebut. Diharapkan keadaan perselisihan ini akan membaik dan tidak berlarut-larut lagi karena Perusahaan secara legal tidak pernah mengambil area penduduk asli disana. [MM9]

Dalam hal pertambangan, Perusahaan berusaha menjaga hubungan baik dengan pemilik tambang kecil setempat. Hal ini juga berkaitan dengan menjaga nilai tambah pertambangan, dengan memastikan adanya proses produksi sebelum hasil tambang dikirim ke luar negeri. Untuk ini, Perusahaan bersama dengan perusahaan tambang lain turut serta memberikan pendapat kepada Pemerintah. Namun demikian, hasil keputusan tetap berada ditangan Pemerintah dan Perusahaan akan berusaha untuk tetap mematuhi. [SO5] [MM8]

We try to avoid conflicts with local communities, but the misunderstanding that has been occurring since the 1970s is not yet resolved up until now. In 2011 the Company provided housing to 57 families. This assistance will be improved in line with the infrastructure development in the area. It is expected that the situation would be improved and the conflict will not be prolonged because the Company have never illegally took over the areas that belong to the local people there. [MM9]

In case of mining, the Company strives to maintain good relations with small local mine owners. This also relates to maintain the value-added of mining, by ensuring production process to take place before the minerals are shipped overseas. For this, the Company, along with other mining companies are also contributed their opinions to the Government. However, the decision remains in the hands of the Government and the Company will comply with the outcome. [SO5] [MM8]

Indeks GRI [3.12]

GRI Index

Indeks GRI 3.1

Tingkat pelaporan "penuh" menunjukkan bahwa informasi yang disampaikan sesuai dengan panduan GRI 3.1 dan mampu menjelaskan pendekatan manajemen terhadap informasi yang dinilai tidak material, tidak relevan, tidak tersedia, atau tidak sesuai dengan hukum yang terkait.

The level of application "fully" means that the information disclosed is accordance with GRI 3.1 guidelines and be able to provide a management approach regarding the information that is immaterial, inapplicable, unavailable, or in compliance.



Penuh
Fully



Sebagian
Partially



Tidak dilaporkan
Not reported

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Indeks GRI [3.12]

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SPEKIFIKASI KERTAS DAN TINTA | PAPER AND INK SPECIFICATION

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To improve the Sustainability Report for the years to come, the Company would be please to have your opinion and fill in our questionnaire, to send us feedback.

Guna meningkatkan Laporan Keberlanjutan pada tahun-tahun mendatang, Perseroan berharap kesediaan Bapak/Ibu/Saudara untuk mengisi kuisoner yang telah disiapkan, dan mengirimkannya kembali kepada kami.

1. Laporan Keberlanjutan ini telah memberikan informasi mengenai berbagai hal yang telah dilaksanakan PT Vale Indonesia Tbk., dalam pemenuhan tanggung jawab sosial perusahaan.
This Sustainability Report has provided you with any information on activities that have been conducted by PT Vale Indonesia Tbk., in its compliance with corporate social responsibility?
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2. Materi dalam Laporan Keberlanjutan ini termasuk data dan informasi yang disajikan mudah dimengerti dan dipahami?
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-
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PROFIL ANDA / YOUR PROFILE

Nama Lengkap :
Full Name

Pekerjaan :
Occupation

Nama Lembaga /Perusahaan :
Name of Institution /Company

Jenis Lembaga /Perusahaan :
Type of Institution /Company

Golongan Pemangku Kepentingan /Stakeholder Group:

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 Masyarakat /Community
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SPESIFIKASI KERTAS DAN TINTA | PAPER AND INK SPECIFICATION

