

Pencapaian

Highlights

Ikhtisar Kinerja Keberlanjutan [G4-9] Summary of Sustainability Performance

	2014	2013	2012
Produksi Production			
Produksi Nikel Nickel Production	78,726 MT	75,802 MT	70,717 MT
Cadangan Bijih Nikel Terbukti Proven Nickel Ore Reserves	108.0 Million tonnes	94.2 Million tonnes	65.8 Million tonnes
Total Pekerja Total Employees	3,122	3,183	3,161
Tingkat Kecelakaan Tercatat Recorded Work Accident Rate	0.81	1.38	1.25
Efisiensi Efficiency			
Material Material	187.38 WMT/TON	172.43 WMT/TON	167.75 WMT/TON
Energi Energy	121.94 GJ/ton	120.98 GJ/ton	118.13 GJ/ton
HSFO HSFO	20.89 Barrel/ton	30.75 Barrel/ton	32.38 Barrel/ton
Energi Sumber PLTA Energy from Hydroelectric Power Plant	9,109,116 GJ	8,709,538 GJ	7,935,523 GJ
Air Water	108.3 m3/ton	100.7 m3/ton	113.6 m3/ton
Keberlanjutan Sustainability			
Program Mitra Desa Mandiri Bidang Ekonomi Independent Village Partnership Program in Economic Sector	197 program programs	Sosialisasi dan Pembentukan program Program dissemination and creation	Belum dibentuk Not yet established
Program Mitra Desa Mandiri Bidang Kesehatan Independent Village Partnership Program in Health Sector	206 program programs	Sosialisasi dan Pembentukan program Program dissemination and creation	Belum dibentuk Not yet established
Program Mitra Desa Mandiri Bidang Pengembangan Kapasitas Masyarakat Independent Village Program in Community Capacity Building	116 program programs	Sosialisasi dan Pembentukan program Program dissemination and creation	Belum dibentuk Not yet established
Pusat Pembelajaran Pertanian Berkelanjutan Sustainable Agriculture Learning Center	500 peserta petani participating farmers	Total target 6.500 petani Total target 6,500 farmers	Belum dibentuk Not yet established
Kunjungan Pasien Rumah Sakit PT Vale Patient Visits to PT Vale Hospital	7,861 pasien patients	7,029 pasien patients	5,918 pasien patients
Margin			
Nilai Kontrak Pemasok Lokal Local Supplier Contract Value	20.5%	9.8%	8.8%
Nilai Ekonomi Distribusi Distributed Economic Value	908,846 million US\$	938,367 million US\$	1,147,056 million US\$
Laba Bersih Net Profit	172.27 million US\$	38.65 million US\$	67.49 million US\$

Laporan Keberlanjutan

Sustainability Report

Laporan Keberlanjutan 2014 diterbitkan oleh PT Vale Indonesia Tbk, yang selanjutnya disebut sebagai PT Vale, Perseroan dan/atau Kami dalam laporan ini.

PT Vale menerbitkan Laporan Keberlanjutan setiap tahun. Laporan Keberlanjutan 2014 merupakan kesinambungan dari Laporan Keberlanjutan 2013 yang diterbitkan pada 25 November 2014. [G4-29, G4-30]

Laporan Keberlanjutan 2014 berisi informasi kinerja keberlanjutan PT Vale dalam kurun waktu 1 Januari – 31 Desember 2014, yang meliputi aspek ekonomi, lingkungan, dan sosial. Seluruh informasi dalam laporan berasal dari PT Vale dan tidak ada informasi dari entitas bisnis lain dalam kelompok usaha Vale Canada Limited maupun dari kontraktor, kecuali dalam penghitungan pemakaian energi. [G4-28, G4-17]

Tingkat pemenuhan aspek material dalam laporan ini adalah: *In Accordance Core*. Kami belum melakukan penjaminan atas Laporan Keberlanjutan 2014 PT Vale Indonesia Tbk, namun Perseroan menjamin bahwa seluruh informasi dalam laporan ini benar dan absah. [G4-32, G4-33]

Penyampaian maupun permintaan informasi lebih lanjut terkait laporan ini dapat dialamatkan kepada: [G4-3, G4-5, G4-31]

The Sustainability Report 2014 is published by PT Vale Indonesia Tbk, hereinafter referred to as PT Vale, the Company and/or We in this report.

PT Vale publishes Sustainability Report every year. The Sustainability Report 2014 is a continuation of the Sustainability Report 2013, published on November 25, 2014. [G4-29, G4-30]

The Sustainability Report 2014 contains information on PT Vale's sustainability performance in the period January 1, 2014 to December 31, 2014 covering economic, environmental, and social aspects. All information in this report was collected from PT Vale and none from other business entities under Vale Canada Limited group or the contractors, except in the calculation of energy consumption. [G4-28, G4-17]

The level of compliance with material aspects of this report is *In Accordance Core*. We have not performed assurance on this Sustainability Report 2014 of PT Vale Indonesia Tbk, however the Company guarantees that all information in this statement is true and valid. [G4-32, G4-33]

Submission and inquiries for further information regarding this report can be addressed to: [G4-3, G4-5, G4-31]

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Materialitas

Laporan

Report Materiality

Kami merumuskan aspek material sebagai isu penting yang berdampak dan berpengaruh signifikan bagi pemangku kepentingan dalam pengambilan keputusan. Aspek material juga berpengaruh terhadap keberlangsungan Perseroan, termasuk pada reputasi dan citra Perseroan.

Proses Identifikasi Aspek Materialitas [G4-18]

Aspek material dan ruang lingkup dalam pelaporan ini menggunakan hasil Forum Grup Diskusi Terfokus (FGD) yang diselenggarakan oleh Perseroan pada tanggal 27 Agustus 2014 di Sorowako, Sulawesi Selatan. FGD dihadiri oleh Tim Penyusun Laporan Keberlanjutan dan melibatkan pemangku kepentingan internal dan eksternal, yang terdiri dari departemen terkait aspek lingkungan, sosial, ekonomi, tata kelola perusahaan (pihak internal), serta akademisi, praktisi, media, serta lembaga swadaya masyarakat, sebagai pihak eksternal.

Kegiatan FGD difokuskan pada identifikasi isu-isu keberlanjutan (*sustainability context*) sebagai dasar penentuan prioritas aspek material. Penetapan konten laporan didasarkan pada prinsip *Stakeholders Inclusiveness* (Pelibatan Pemangku Kepentingan), *Materiality* (Materialitas), *Sustainability Context* (Konteks Keberlanjutan) dan *Completeness* (Kelengkapan). Ke-empat prinsip ini sesuai dengan pedoman penulisan laporan keberlanjutan GRI-G4.

We define material aspects as important issues that significantly affect and influence stakeholders in making decisions. Material aspects also affect the Company's sustainability, including reputation and image of the Company.

Materiality Aspects Identification Process [G4-18]

Material aspects and boundaries of this report were determined based on the results of Focus Group Discussion (FGD) held on August 27, 2014 in Sorowako, South Sulawesi. The FGD was attended by the Sustainability Report Drafting Team and involving internal and external stakeholders, including the departments related to environmental, social, economic, corporate governance aspects (internal party), as well as academics, practitioners, media, and non-governmental organizations, as external parties.

The FGD focused on identifying sustainability context as basis to determine material aspect priorities. Determination of the report content was based on the principle of Stakeholders Inclusiveness, Materiality, Sustainability Context and Completeness. All these four principles are in accordance with GRI-G4 sustainability reporting guidelines.

Proses Penentuan Isi Laporan

Penetapan konten laporan didahului dengan proses identifikasi isu keberlanjutan dan penentuan aspek material. Terdapat empat tahap dalam penentuan konten laporan. **Tahap pertama**, mengidentifikasi aspek-aspek keberlanjutan yang relevan dengan karakteristik bisnis Vale dan menentukan batasan ruang lingkup (*boundary*), dimana aspek tersebut terjadi. **Langkah kedua**, membuat prioritas atas aspek-aspek keberlanjutan yang akan dilaporkan. Prioritas ditentukan melalui proses FGD.

Langkah ketiga, melakukan validasi atas aspek material yang telah menjadi prioritas tersebut. Proses validasi bertujuan untuk memastikan bahwa laporan memuat konten yang seimbang antara kinerja positif dan negatif. Validasi mendapat pengesahan dari Direksi, selaku pejabat tata kelola Perseroan yang bertanggung jawab atas penyusunan dan penerbitan laporan ini. [G4-48]

Langkah keempat, melakukan kajian ulang atas laporan tahun sebelumnya dengan memasukkan saran dari pemangku kepentingan terhadap laporan tahun sebelumnya. Demikian pula masukan dan saran atas laporan tahun ini akan digunakan sebagai pertimbangan dalam menentukan konten laporan tahun yang akan datang. Siklus pelaporan ini berlangsung selama periode berjalan dengan menyertakan keterlibatan pemangku kepentingan.

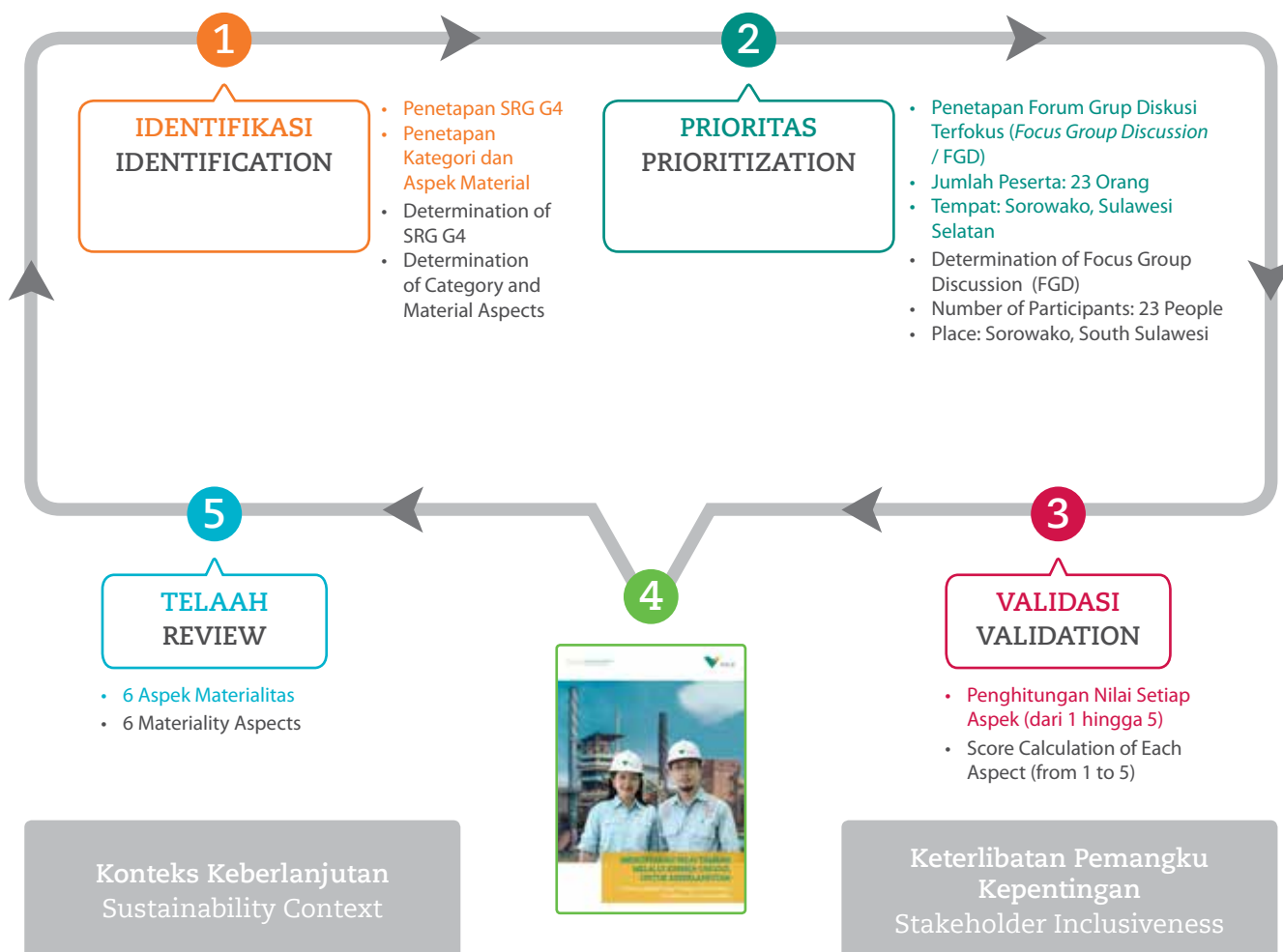
Report Content Determination Process

Report content determination of is preceded by the identification of sustainability issues and defining material aspects. There are four steps in determining content of the report. **The first step** is to identify sustainability aspects that are relevant to Vale's business characteristics and defines the boundary, in which the aspects take place. **The second step** is to make priorities of sustainability aspects that will be reported. The priorities are determined through FGD.

The third step is to validate the material aspects that have become priorities. The validation process aims to ensure that the report contains balanced contents between positive and negative performances. The Board of Directors approves the validation as the Company's governance officials responsible for the preparation and publication of this report. [G4-48]

The fourth step is to review the previous year's report by including suggestions from stakeholders over the previous year's report. Similarly, feedback and suggestions on this year's report will be used as a consideration in determining the content of the upcoming report. This cycle takes place during the reporting period by including stakeholder engagement.

Alur Proses Penetapan Konten Laporan Flowchart in Determining Report Content

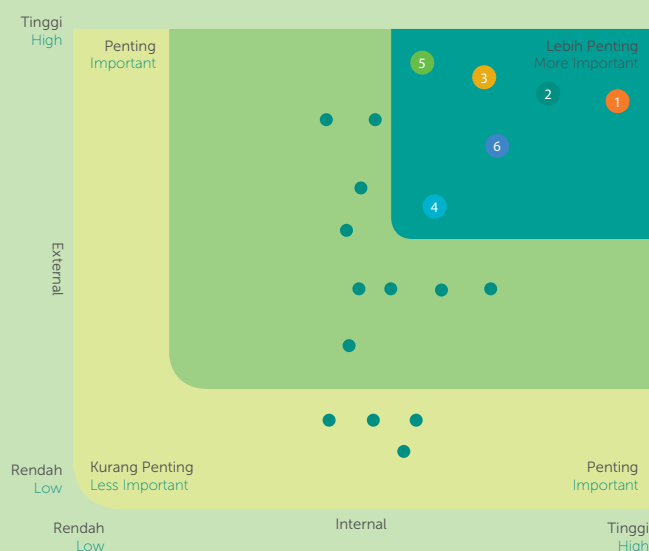


MATRIK HASIL UJI MATERIALITAS [G4-19, G4-20, G4-21, G4-23]

Forum grup diskusi terfokus (FGD) menghasilkan enam aspek material yang menjadi bagian penting dalam pelaporan ini. Hasil FGD dapat dilihat pada matriks berikut:

MATRIX OF MATERIALITY TEST [G4-19, G4-20, G4-21, G4-23]

Focus group discussion (FGD) forum produced six material aspects that became important part of this report. FGD results can be seen in the following matrix:



Topik Material

Material Topics

- 1 **Kinerja Ekonomi**
Economic Performance
- 2 **Energi**
Energy
- 3 **Emisi**
Emissions
- 4 **Limbah cair dan padat**
Effluents and Waste
- 5 **Kesehatan dan Keselamatan Kerja**
Occupational Health & Safety
- 6 **Komunitas Lokal**
Local Communities

BATASAN RUANG LINGKUP ASPEK MATERIALITAS [G4-20, G4-21, G4-23]

Keseluruhan materi yang disampaikan dalam laporan ini berasal dari PT Vale (internal Perusahaan) dan beberapa materi lainnya dinilai memberikan dampak signifikan kepada pemasok dan masyarakat sekitar (eksternal Perusahaan).

Enam isu penting material yang dipilih dan diprioritaskan untuk disampaikan dalam Laporan ini disesuaikan dengan karakteristik jenis industri PT Vale. Dalam aspek emisi, misalnya, informasi tentang pengurangan SO₂ menjadi hal yang sangat signifikan karena 70% dari proses bisnis Kami menggunakan bahan bakar HSFO. Adapun ketentuan mengenai emisi SO₂ untuk industri nikel diatur dalam Surat Edaran Kementerian Lingkungan Hidup No.B-8594/MENLH/09/2011 dan Kepmen LH No.13 Tahun 1995.

[DMA]

MATERIALITY ASPECT BOUNDARIES [G4-20, G4-21, G4-23]

All materials presented in this report were collected from PT Vale's internal organization and some other materials considered having significant impacts on suppliers and the surrounding community as external parties of the company.

Six material issues selected and prioritized to be presented in this report were tailored to the characteristics of PT Vale's industry. In the aspect of emissions, for example, SO₂ reduction is highly significant because 70% of our business processes use HSFO. The provisions regarding SO₂ emissions for the nickel industry are stipulated in the Ministry of Environment Circular No. B-8594/MENLH/09/2011 and Minister of the Environment Decree No.13 of 1995. [DMA]

Aspek Material dan Batasan Ruang Lingkup Pelaporan [G4-19, G4-20, G4-21]

Material Aspect and Reporting Boundaries

No.	Aspek Material Material Aspect	Batasan Pelaporan Aspek Material Material Aspect Reporting Boundaries	Dampak Bagi Pemangku Kepentingan Eksternal Impact to the External Stakeholders
1	Kinerja Ekonomi Economic Performance		Bisnis dan Profesional Businesses and Professionals
2	Energi Energy		Pemerintah, Media Massa, Akademisi dan Pengamat Government, Mass Media, Academics and Observers
3	Emisi Emissions		Pemerintah, Akademisi dan Pengamat, Media Massa Government, Academics and Observers, Mass Media
4	Limbah Cair dan Padat Effluents and Waste		Pemerintah, Akademisi dan Pengamat, Media Massa Government, Academics and Observers, Mass Media
5	Kesehatan dan Keselamatan Kerja Occupational Health & Safety		Pemerintah, Akademisi dan Pengamat, Media Massa Government, Academics and Observers, Mass Media
6	Komunitas Lokal Local Communities		Pemerintah, Komunitas, Bisnis dan Profesional, Akademisi dan Pengamat, Media Massa, Pemimpin Komunitas Government, Communities, Businesses and Professionals, Academics and Observers, Mass Media and Community Leaders

Kantor Pusat (Jakarta)
Head Office

Kantor Pusat Operasional Perusahaan (Sorowako)
Operational Head Office

Batasan Aspek Material [G4-21]

Material Aspect Boundaries



1	Kinerja Ekonomi Economic Performance
2	Energi Energy
3	Emisi Emissions
4	Limbah cair dan padat Effluents and Waste
5	Kesehatan dan Keselamatan Kerja Occupational Health & Safety
6	Komunitas Lokal Local Communities

Keterangan | Note:

Nomor 1 hingga 6 menunjukkan dampak setiap aspek material yang berpengaruh signifikan pada pemangku kepentingan, baik internal maupun eksternal.

Number 1 up to 6 denotes the influence of every material aspect that has a significant impact on stakeholders, both internal as well as external.





**KAMI TERUS MENJAGA
PERTUMBUHAN**

We Maintain Growth



Volume produksi tahun 2014 ini merupakan volume produksi tahunan tertinggi dalam sejarah Perseroan.

The production volume in 2014 was the highest annual production volume in the Company's history.

PT Vale Indonesia Tbk terus meningkatkan kinerja produksi nikel dalam matte, sekaligus memastikan pertumbuhan Perseroan tetap terjaga. Harga nikel yang sempat menurun tajam di 2013 mulai mengalami kenaikan di tahun 2014, meskipun belum menyentuh harga pasar yang diharapkan.

Total produksi nikel dalam matte pada tahun 2014 adalah 78.726 metrik ton, meningkat 4% dibandingkan dengan tahun 2013 sebesar 75.802 metrik ton. Produksi tahun 2014 mencapai 98,8% dari target produksi sebesar 79.691 metrik ton.

Bertambahnya produksi berpengaruh pada peningkatan volume penjualan nikel dalam matte. Total penjualan nikel dalam matte tahun 2014 adalah 79.477 metrik ton, naik 3% dibandingkan tahun 2013 yang sebesar 77.198 metrik ton.

Membaiknya harga nikel dunia juga berdampak pada peningkatan pendapatan dari penjualan nikel dalam matte. Secara bersamaan, program efisiensi yang dilakukan oleh Perseroan sepanjang tahun 2014 telah mampu menurunkan biaya bahan bakar dan pelumas.

PT Vale Indonesia Tbk continuously increases production performance of nickel in matte, while ensuring the Company's growth is maintained. Nickel prices declined sharply in 2013 and began to rise in 2014, although it has not touched the expected market price.

Total production of nickel in matte in 2014 was 78,726 metric tons, up 4% compared to 2013 at 75,802 metric tons. Production in 2014 reached 98,8% of total production target at 79,691 metric tons.

The higher production caused the increase in sales volume of nickel in matte. Total sales of nickel in matte in 2014 reached 79,477 metric tons, up 4% compared to 77,198 metric tons in 2013.

The improved nickel prices have caused the increase in revenue from nickel in matte sales. At the same time, the efficiency program carried out in 2014 has been able to lower the cost of fuels and lubricants.



4%

Peningkatan produksi
nikel dalam matte

Increase in volume
production of nickel in
matte

Hal tersebut mendorong terjaganya pertumbuhan Perseroan. PT Vale mencatatkan pendapatan tahun 2014 meningkat menjadi AS\$1.038,1 juta, lebih tinggi AS\$116,4 juta atau 13% dibanding pendapatan 2013 sebesar AS\$921,6 juta. Sementara laba tahun berjalan adalah AS\$172,3 juta pada 2014, meningkat dibandingkan tahun 2013 sebanyak AS\$38,7 juta.

It spurs the maintained growth of the Company. PT Vale recorded revenues in 2014 to US\$1,038.1 million, increased by US\$116.4 million or 13% compared to revenues in 2013 amounted to US\$921.6 million. Meanwhile, profit for the year was US\$172.3 million in 2014, an increase compared to US\$38.7 million in 2013.

“*Keuntungan Perusahaan mencapai 53% di atas target, yang disebabkan oleh kenaikan harga nikel dan penurunan biaya produksi.*”

Profit was 53% higher than our target, driven by the higher nickel price and lower production costs.”

Terkait dengan produksi, faktor cuaca dan perubahan iklim menjadi perhatian besar Kami. Tingginya curah hujan di daerah Sorowako menjadi kendala dalam proses produksi. Meskipun demikian, tantangan tersebut mampu Kami kendalikan melalui pengelolaan dan pengolahan air limpasan, sesuai dengan prosedur operasional. [G4-EC2]

In terms of production, the weather and climate change have been our great concern. The high rainfall in Sorowako region caused disruptions to production process. However, we were able to overcome the challenges through the management and treatment of runoff water, in accordance with operational procedures. [G4-EC2]

Tingginya curah hujan menciptakan implikasi secara finansial yang disebabkan oleh peningkatan biaya operasional, baik yang terkait dengan kegiatan penambangan maupun pengelolaan dan pengolahan air limpasan. PT Vale berupaya mempercepat proses pengendapan kolam sedimen dengan menambahkan flokulan dan koagulan agar kandungan TSS tetap terjaga. Dengan demikian, buangan olahan air limpasan dinyatakan memenuhi syarat untuk dialirkan ke badan air Danau Matano. [G4-EC2, G4-EN22]

The high rainfall caused financial implications due to increase in operating costs, both related to mining activities as well as the management and treatment of runoff water. PT Vale attempted to speed up the settling process in sedimentation pond by adding flocculants and coagulants to maintain TSS content. That way processed runoff water effluent was declared to meet the quality to be discharged into water body of Lake Matano. [G4-EC2, G4-EN22]

AMANDEMEN KONTRAK KARYA

Tahun 2014 PT Vale dan Pemerintah Indonesia menandatangani amandemen Kontrak Karya, sebagai hasil kesepakatan renegotiasi sebagaimana diamanatkan oleh Undang-Undang No. 4 Tahun 2009 Tentang Pertambangan Mineral dan Batubara. Penandatanganan dilakukan di Kantor Kementerian Energi dan Sumber Daya Mineral (ESDM), Jakarta, pada 17 Oktober 2014. [DMA]

Amandemen Kontrak Karya meliputi hal-hal sebagai berikut:

- Pengurangan wilayah Kontrak Karya dari sebelumnya 190.510 hektar menjadi 118.435 hektar. Pada akhir Kontrak Karya tanggal 28 Desember 2025, Perseroan dapat mempertahankan 25.000 hektar zona bijih yang akan diusulkan untuk dieksploitasi. Selain zona bijih tersebut, Perseroan tetap dapat mempertahankan lahan yang diperlukan untuk kegiatan operasional dan keperluan lainnya.
- Royalti yang disepakati sebesar 2% dari penjualan (menjadi 3% ketika harga nikel naik menjadi AS\$21.000 /ton), telah sesuai struktur royalti yang diatur dalam peraturan pemerintah serta merefleksikan evolusi dinamika pasar.
- Kewajiban bagi PT Vale untuk mendivestasikan 20% saham kepada peserta Indonesia. Proses divestasi ini akan dilakukan dalam kurun waktu 5 tahun.
- PT Vale dapat mengajukan permohonan kelanjutan operasinya setelah Kontrak Karya berakhir sebanyak dua kali 10 tahun dalam bentuk izin operasi dan tunduk pada persetujuan pemerintah.

Penandatanganan Amandemen Kontrak Karya akan dapat menambah potensi cadangan bijih nikel dan menjamin kesinambungan produksi di masa mendatang. Hingga akhir periode pelaporan, perkiraan cadangan terbukti adalah 108 juta *dry metrik-ton* (DMT) dengan kadar nikel 1,80%. Sementara, cadangan mineral terduga hingga tahun 2014 adalah 17,4 juta *dry metrik-ton* (DMT) dengan kandungan nikel 1,75%. [MM11]

CONTRACT OF WORK AMENDMENT

In 2014, PT Vale and the Government of Indonesian signed an amendment to the Contract of Work, as a result of the renegotiation agreement as mandated by Law No. 4 of 2009 on Mineral and Coal Mining. The signing was done at the Ministry of Energy and Mineral Resources, Jakarta, on October 17, 2014. [DMA]

Amendments to Contract of Work include the following:

- Contract of Work areas are reduced from previously 190,510 hectares to 118,435 hectares. At the time of Contract of Work ends on December 28, 2025, the Company may maintain 25,000 hectares of ore zones, which will be proposed for exploitation. In addition to the ore zones, the Company may retain the land needed for operations and other purposes.
- The agreed royalty at 2% of sales (to be 3% when the price of nickel is up to US\$21,000/ton) has been in accordance with royalty structure stipulated in government regulations and reflects the evolution of market dynamics.
- PT Vale's obligation to divest 20% stake to the Indonesian parties. The divestment will be carried out within 5 years.
- PT Vale may apply for the continuation of operations after the Contract of Work ended twice within 10 years in the form of operating permits and subject to government approval.

The Contract of Work Amendment signing will be able to increase potential of nickel ore reserves and ensure the continuity of future production. By the end of the reporting period, the estimated proven reserves were 108 million dry metric tons (DMT) with 1.80% nickel content. Meanwhile, probable mineral reserves until 2014 were 17.4 million DMT with 1.75% nickel content. [MM11]

Ketersediaan potensi cadangan bijih nikel menjamin ketersediaan pasokan bahan baku, yakni bijih nikel lateritik yang berasal dari penggalian material tambang. Selama tahun 2014, total material bahan baku berupa bijih nikel laterik mencapai 13.557.891 *wet metric-ton* (WMT). Volume tersebut meningkat 4 % dibandingkan tahun 2013 sebanyak 13.070.625 WMT.

[G4-EN1]

Availability of potential nickel ore reserves to guarantee the availability of raw material supply, which is lateritic nickel ore originated from mineral extraction. During 2014, total raw material of lateritic nickel ores reached 13,557,891 wet metric tons (WMT). The volume increased 4% compared to 13,070,625 WMT in 2013. [G4-EN1]



INDONESIA GROWTH PROJECT DI SULAWESI TENGAH

Tahun 2014 PT Vale melanjutkan tahapan pelaksanaan Proyek Bahodopi, yang ditandai dengan rapat sosialisasi terkait akuisisi lahan pada 17 Februari 2014. Rapat sosialisasi berlangsung di Balai Desa Onepute Jaya, Kecamatan Bungku Timur, Kabupaten Morowali, Sulawesi Tengah.

Rapat sosialisasi merupakan salah satu kegiatan untuk menunjang kelancaran Indonesia Growth Project (IGP) pada Proyek Bahodopi. Rencana akuisisi lahan di Desa Onepute Jaya merupakan bagian dari persiapan pembangunan jalan proyek ('MHR') dan jalan masyarakat (*public road*) yang menghubungkan Bahodopi dan Sorowako.

INDONESIA GROWTH PROJECT IN CENTRAL SULAWESI

In 2014, PT Vale continued the execution phase of Bahodopi Project, marked with dissemination meeting on land acquisition on February 17, 2014. The dissemination meeting took place at Onepute Jaya Village Hall, East Bungku District, Morowali Regency, Central Sulawesi.

The dissemination meeting was one of the activities to support the Indonesia Growth Project (IGP) at Bahodopi Project. The land acquisition plan in Onepute Jaya Village was part of preparation for construction of mining haul road (MHR) and public road that connect Bahodopi and Sorowako.

Sepanjang tahun 2014 telah dilaksanakan berbagai kegiatan IGP, diantaranya pembersihan lahan (*land clearing*) di Desa Bahomatefe, Kecamatan Bungku Timur dan penyelidikan geoteknik. Kegiatan tersebut merupakan salah satu persiapan rencana pembangunan pabrik pengolahan nikel dan sarana pendukungnya di Blok Bahodopi.

Pelaksanaan IGP pada tahun 2014 telah memasuki periode *Front End Loading* (FEL) III atau studi kelayakan yang sudah disetujui sejak Juli 2013. Ruang lingkup IGP ditujukan untuk mengembangkan pabrik yang sudah ada di Sorowako, dengan membangun satu lini produksi beserta infrastrukturnya, yang juga disebut dengan *Major Expansion Project*, serta membangun pabrik pengolahan nikel di Blok Bahodopi (*Bahodopi Matte Processing Facility*).

SAFETY SAMA PENTING DENGAN PRODUKSI

Terjaganya pertumbuhan Perseroan selama tahun 2014 juga tak bisa dilepaskan dari kinerja keselamatan dan kesehatan kerja (K3). Kepatuhan pada K3 merupakan hal yang mutlak, mengingat kegiatan Perseroan di bidang penambangan bijih nikel lateritik dan produksi nikel dalam matte yang memiliki risiko tinggi terjadinya kecelakaan kerja. Keselamatan karyawan menjadi hal yang tak dapat ditawar, sejalan dengan kesungguhan PT Vale dalam menjaga nilai-nilai kehidupan. [G4-LA7]

Bersama para pekerja, Manajemen berkomitmen menerapkan praktik-praktik terbaik K3, dengan membentuk lembaga bersama (Komite) untuk memastikan semua pihak mematuhi aspek-aspek K3. Selama tahun 2014, jumlah perwakilan karyawan yang dilibatkan dalam komite bersama K3 adalah 179 orang, atau 5,7% dari seluruh karyawan tetap PT Vale. Mereka terdiri atas: [G4-LA5]

- Komite membawahi keselamatan kerja 86 orang;
- Komite membawahi kesehatan kerja 93 orang.

During 2014 there were various IGP activities that have been and are running. These activities include land clearing in Bahomatefe Village, East Bungku District and geotechnical study. The fieldwork was part of the preparation for construction of nickel processing plant and its supporting facilities in Bahodopi Block.

In addition, the IGP implementation during 2014 entered the period of Front End Loading (FEL) III or feasibility study that has been approved since July 2013. The scope of IGP is intended to develop the existing plants in Sorowako by building another production line along with its infrastructure, which is also referred to as Major Expansion Project, as well as building a nickel processing plant in Bahodopi Block (*Bahodopi Matte Processing Facility*).

SAFETY AND PRODUCTION EQUALLY IMPORTANT

The Company's maintained growth in 2014 was also contributed by the performance of occupational safety and health (K3). Compliance with K3 is mandatory, given the Company's activities in lateritic nickel ore mining and nickel in matte production that have high risk of accidents. The employees' safety cannot be compromised, in line with PT Vale's determination in upholding the value of life. [G4-LA7]

Together with the employees, the management is committed to implementing K3 best practices, by forming a joint committee to ensure that all parties comply with K3 aspects. During 2014, the number of employee representatives involved in the K3 joint committee was 179 people, or 5.7% of total permanent employees of PT Vale. They consisted of: [G4-LA5]

- Committee overseeing occupational safety with 86 members;
- Committee overseeing occupational health with 93 members.

Kami juga mencantumkan ihwal K3 di dalam Perjanjian Kerja Bersama (PKB). Selain itu PT Vale menerapkan pula sejumlah panduan terkait K3 yang tertera dalam *Major Hazard Standards* (MHS), *Aturan Baku* (*Golden Rules*) dan *Critical Activity Requirements* (CAR). [DMA, G4-LA8]

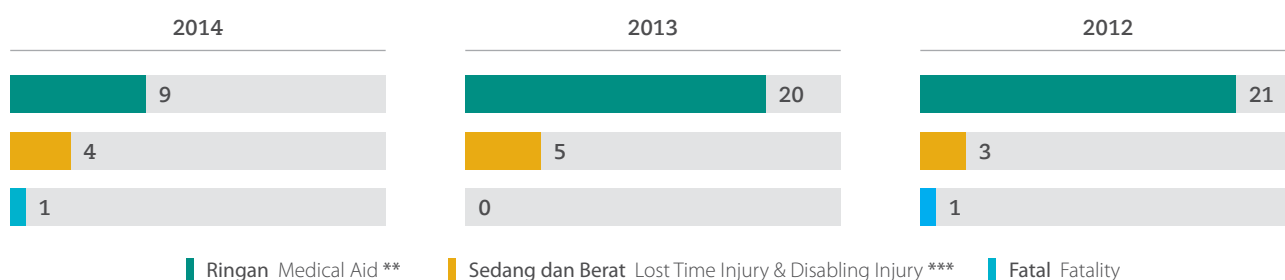
We also include K3 subject in the Collective Labor Agreement (CLA). In addition, PT Vale also applies a number of guidelines on K3 in *Major Hazard Standards* (MHS), *Golden Rules* and *Critical Activity Requirements* for (CAR). [DMA, G4-LA8]

Kesungguhan PT Vale dalam melaksanakan praktik-praktik terbaik K3 pada tahun 2014 membuahkan pencapaian:

PT Vale's commitment to implementing K3 best practices in 2014, has earned the following achievements:

1. Penghargaan Pratama dari Kementerian Energi dan Sumber Daya Mineral (ESDM). Penghargaan diberikan pada 16 September 2014 untuk pengelolaan keselamatan pertambangan (K3) periode tahun 2013.
2. Jumlah Peristiwa Kecelakaan Kerja* [G4-22, G4-LA6]

1. Pratama Award from the Ministry of Energy and Mineral Resources. The award was presented on September 16, 2014, for the occupational health and safety (K3) management of mining in the period of 2013.
2. Total Work Accident* [G4-22, G4-LA6]



* Jumlah mencakup kontraktor | Total numbers 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

Uraian Description	2014	2013	2012
Tingkat Kecelakaan Tercatat Level of Recordable Injury Frequency Rate	0.81	1.38	1.25
Tingkat Kekerapan Kasus Kehilangan Kerja Lost Work Case Frequency Rate	0.06	0.22	0.15
Kehilangan Hari Kerja Lost of Working Days	6,000	172	6,010

3. Rumah Sakit Inco PT Vale Indonesia Tbk mendapatkan penghargaan:

- “International Major Incidence Response Exercise (i-MIREX)” yang berlangsung di Kuching, Malaysia pada tanggal 2 – 4 Desember 2014. Tim RS Inco bersama Palang Merah Indonesia (PMI) Luwu Timur, memperoleh predikat terbaik dalam hydro challenge atau penyelamatan di air.
- Kompetisi “2nd National Emergency Resuscitation Competition” yang berlangsung di Malang, Jawa Timur, 5-6 Desember 2014. Tim RS Inco berhasil mempertahankan gelar sebagai terbaik dalam melakukan simulasi penanganan pasien pada unit gawat darurat.
- Tim medis dan perawat RS Inco PT Vale mendapatkan posisi pertama dalam “International Moulage Trauma Team Competition” yang berlangsung di tengah acara “The 21st International Symposium on Critical Care and Emergency Medicine (ISCCM) 2014” di Kuta, Bali. Dalam kompetisi tersebut, tim RS Inco berkompetisi dengan tiga tim lain yang mewakili dua rumah sakit internasional di Bali dan Kuala Lumpur Hospital, Malaysia

3. RS Inco hospital of PT Vale Indonesia Tbk earned the following awards:

- International Major Incidence Response Exercise (i-MIREX), which was held in Kuching, Malaysia on December 2 to 4, 2014. Joint team of RS Inco and Indonesian Red Cross (PMI) of East Luwu, received the best title in hydro challenge or water rescue.
- The 2nd National Emergency Resuscitation Competition, which was held in Malang, East Java, on December 5 to 6 2014. RS Inco team successfully retained the title as the best in simulation of patient handling in the emergency unit.
- The medical team and nurses of RS Inco of PT Vale earned the first place in the “International Moulage Trauma Team Competition” event that took place during the 21st International Symposium on Critical Care and Emergency Medicine (ISCCM) 2014 in Kuta, Bali. In the competition, RS Inco team competed with three other teams representing two international hospitals in Bali and Kuala Lumpur Hospital, Malaysia



Kepatuhan pada K3 juga menjadi kewajiban bagi para kontraktor. Kami menerapkan *Contractor Safety Management System* (CSMS) yang merupakan program PT Vale untuk mengendalikan dan mengatur keselamatan para pekerja kontraktornya.

Compliance with K3 is also mandatory for the contractors. We apply the Contractor Safety Management System (CSMS) as PT Vale's program to control and regulate the safety of its contractors' employees.

Secara berkala dilaksanakan sosialisasi CSMS sekaligus pelatihan keselamatan kerja (*safety*). Materi sosialisasi mencakup persyaratan administrasi, kompetensi dan standar peralatan keselamatan kerja bagi pekerja kontraktor, termasuk juga ketentuan pemberian kontrak pekerjaan kepada perusahaan kontraktor dan pelaporan pelaksanaan CSMS melalui evaluasi periodik.

CSMS dissemination and safety training are regularly carried out. Dissemination materials include administrative requirements, standards of competencies and work safety equipment for the contractors' workers, as well as the provisions in awarding work contracts to contractors and CSMS implementation reporting through periodic evaluation.

MENGENDALIKAN DAMPAK LINGKUNGAN

Hal penting yang tak dapat diabaikan dalam upaya PT Vale meningkatkan produksi nikel dalam matte adalah pengendalian dampak terhadap lingkungan. Kami berkomitmen menjaga kelestarian lingkungan dan meminimalkan potensi negatif yang ditimbulkan dari kegiatan penambangan bijih nikel laterik maupun produksi nikel dalam matte, maupun kegiatan lain yang menyertai.

CONTROLLING ENVIRONMENTAL IMPACTS

An important issue that should not be overlooked in PT Vale's effort to increase nickel in matte production is to control negative impacts on the environment. We are committed to protecting the environment and minimize negative potential of lateritic nickel ore mining activity and production of nickel in matte, or other associated activities.

Setiap tahun PT Vale menyertakan pelaksanaan pengelolaan lingkungan pada Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan (PROPER) oleh Kementerian Lingkungan Hidup dan Kehutanan. Pada tahun 2014 PT Vale mendapatkan PROPER Biru, yang menandakan pengelolaan lingkungan telah dilaksanakan sesuai ketentuan berlaku. [G4-15]

Every year PT Vale participates in the Performance Rating on Environmental Management (PROPER) by the Ministry of Environment and Forestry. In 2014, PT Vale earned Blue PROPER, which indicated the environmental management had been implemented in accordance with applicable provisions. [G4-15]

Kami selalu melengkapi setiap rencana kegiatan pengembangan usaha dengan penyusunan dokumen Analisis Mengenai Dampak Lingkungan (AMDAL). Kami telah memulai penyusunan AMDAL tentang rencana peningkatan kapasitas produksi nikel di Kabupaten Luwu Timur, Sulawesi Selatan, dan pembangunan pabrik nikel di Kabupaten Morowali, Sulawesi Tengah. Penyusunan AMDAL didasarkan pada Peraturan Menteri Lingkungan Hidup No.5 Tahun 2012, dan No.17 Tahun 2012 yang mengatur penyusunan AMDAL serta Izin Lingkungan. [G4-15]

We always equip each plan of business development activities with the Analysis on Environmental Impact (AMDAL) document. We have started AMDAL preparation on plans to increase production capacity of nickel in East Luwu Regency, South Sulawesi, and the construction of a nickel plant in Morowali Regency, Central Sulawesi. AMDAL document was prepared based on the Regulation of the Minister of the Environment No.5 of 2012, and No. 17 of 2012, which stipulate the preparation of AMDAL and Environmental Permit. [G4-15]

Keikutsertaan Perseroan pada PROPER maupun penyusunan Dokumen AMDAL juga menjadi mekanisme pendekatan pencegahan penurunan kualitas lingkungan, seperti dimaksud dalam Prinsip 15 Deklarasi Rio de Janeiro. Studi AMDAL juga dimaksudkan untuk meminimalkan dampak negatif yang mungkin timbul, baik terhadap masyarakat maupun terhadap lingkungan hidup sekitarnya. [G4-14, G4-EN27, G4-SO1]

The Company's participation in PROPER and AMDAL document preparation also serve as an approach to prevention of environmental degradation, as stipulated in Principle 15 of the Rio de Janeiro Declaration. AMDAL study is also intended to minimize the negative impacts that may arise, either on the community or on the surrounding environment. [G4-14, G4-EN27, G4-SO1]

Kami senantiasa pula mempertahankan luasan lahan tambang terbuka atau *open cast*, agar tidak melebihi 1.100 hektar. Hal ini sesuai dengan ketentuan Vale Environmental Management System (EMS). [G4-EN13]

We also continue to maintain the area of open cast mines not to exceed 1,100 hectares. This is in accordance with the provisions of Vale Environmental Management System (EMS). [G4-EN13]

Penggunaan Lahan [MM2]

Land Usage

Uraian Description	Satuan Unit	2014	2013	2012
Lahan terganggu/ditempati Degraded land for activities	Ha	4,973.1	4,901.9	4,780.9
Area yang direhabilitasi dan direklamasi Rehabilitated and reclaimed area	Ha	3,975.9	3,937.9	3,821.8
Area untuk penambangan Mining area	Ha	997.2	964.0	960
Akumulasi jumlah pohon ditanam Total number of planted trees	Batang Trees	1,767,141	1,675,176.79	1,600.83
Persentase tanaman lokal ditanam Percentage of local planted trees	%	62	62	62
Persentase pohon tumbuh baik Percentage of trees grow well	%	85	85	85



Hal strategis lain yang dilaksanakan Perseroan sepanjang tahun 2014 untuk mengendalikan dampak lingkungan adalah: [G4-EN27]

1. Pembangunan sistem pengolahan air buangan dengan teknologi LGS (*lamella gravity settler*) untuk mengurangi dampak laju air buangan dan mengontrol kualitas air limpasan yang bermuara di Danau Matano. Uji coba dilakukan dalam skala proyek percontohan di dua lokasi di wilayah pertambangan PT Vale. Hasilnya menunjukkan bahwa instalasi LGS ini dapat menurunkan padatan tersuspensi dari 4.000 mg/l lebih menjadi di bawah 10 mg/l.
2. Memulai penerapan pemisahan (segregasi) sampah organik dan non-organik dari limbah domestik untuk memaksimalkan tempat pembuangan akhir yang dikelola dengan sistem *sanitary landfill*.

Guna mendukung berbagai upaya untuk mengendalikan dan mengelola dampak lingkungan, PT Vale memastikan ketersediaan dana sebagai biaya lingkungan. Besaran biaya lingkungan untuk tahun 2014 mencapai AS\$8,8 juta, naik 57% dibandingkan tahun 2013. [G4-EN31]

Other strategic initiatives conducted by the Company during 2014 to control environmental impacts are: [G4-EN27]

1. Construction of the wastewater treatment system with LGS technology (*lamella gravity settlers*) to reduce the impact of the wastewater rate and control the runoff water quality that is discharged into Lake Matano. The test was conducted in the scale of pilot projects in two locations of PT Vale's mining area. The results showed that the LGS installation managed to reduce suspended solids from more than 4,000 mg/l to below 10 mg/l.
2. Start to apply the segregation of organic and non-organic domestic waste to maximize final disposal area managed under sanitary landfill system.

In order to support the efforts to control and manage the environmental impact, PT Vale ensures the availability of funds to cover environmental costs. The amount of environmental costs in 2014 reached US\$8.8 million, up 57% compared to 2013. [G4-EN31]



OPERASIONAL KAMI KIAN EFISIEN DAN RAMAH LINGKUNGAN

Our Operations More Efficient
and Environmentally Friendly



23%

Penurunan biaya bahan
bakar dan pelumas

Cost reduction in fuels and
lubricants

Program efisiensi yang dilakukan oleh Perseroan sepanjang tahun 2014 telah mampu menurunkan biaya bahan bakar dan pelumas.

The efficiency program carried out in 2014 has been able to lower the cost of fuels and lubricants.

Kata kunci dari terjaganya pertumbuhan PT Vale tahun 2014 adalah 'efisiensi'. Efisiensi Kami lakukan di semua lini kegiatan, tanpa mengorbankan kualitas produksi maupun kualitas hidup sumber daya manusia. Kami mampu mempertahankan jumlah karyawan dan tidak memberlakukan pemutusan hubungan kerja, meskipun sedang berada di tengah situasi kurang menguntungkan. Melalui efisiensi, jumlah biaya yang dapat dihemat oleh Perusahaan menjadi sangat signifikan.

Efisiensi menjadikan beban pokok pendapatan Perseroan tahun 2014 lebih rendah 6% dibandingkan tahun 2013. Hal ini terutama didorong rendahnya biaya bahan bakar, pelumas dan karyawan. [G4-EN6]

Pencapaian tersebut mencerminkan peningkatan disiplin biaya yang berkelanjutan dan produktivitas operasional PT Vale, sekaligus menandai keberhasilan strategi pengurangan biaya. Kami berhasil menurunkan biaya operasi secara signifikan, melalui proyek konversi batubara (*coal conversion project*) tahap pertama atau CCP 1, yang menggantikan bahan bakar *High Sulphur Fuel Oil* (HSFO).

Faktor lain yang ikut menjaga kinerja dan pertumbuhan Perseroan pada tahun 2014, adalah peningkatan produksi nikel dalam matte sebesar 4% dibanding tahun 2013 menjadi 78.726 metrik ton. Selain itu, harga jual produk kami yaitu nikel dalam matte di pasar dunia lebih tinggi dibanding tahun 2013, mencapai AS\$13.061 per metrik ton.

PEMANFAATAN ENERGI

Seiring peningkatan produksi nikel dalam matte dan kegiatan penambangan bijih nikel, konsumsi energi pada tahun 2014 secara keseluruhan meningkat dibandingkan tahun 2013. Namun demikian pelaksanaan CCP 1 telah dapat menurunkan volume pemakaian HSFO, dan secara bersamaan meningkatkan pemanfaatan batubara sebagai sumber energi pengganti.

The keyword of the maintained growth of PT Vale Indonesia Tbk in 2014 is 'efficiency'. We applied efficiency in all lines of activities, without compromising the quality of production and human resources' quality of life. We managed to maintain the number of employees without layoffs, despite the unfavorable situations. Through efficiency, the Company was able to save a significant amount of costs.

Efficiency has lowered the Company's cost of revenue in 2014 by 6% than in 2013. This was mainly driven by the low costs of fuels, lubricants and employees. [G4-EN6]

The achievement reflected the sustainable improvement of cost discipline and operational productivity of PT Vale, and marked the success of the cost reduction strategies. We managed to reduce operating costs significantly, through the first stage of coal conversion project or CCP 1, which substituted High Sulfur Fuel Oil (HSFO).

Another factor that contributed to maintain performance and growth of the Company in 2014 was the increase of nickel in matte production by 4% from 78,726 metric tons in 2013. In addition, the sales price of nickel in matte in the world market was higher than in 2013 that reached US\$13,061 per metric ton.

ENERGY USAGE

In line with increased production of nickel in matte and nickel ore mining, total energy consumption in 2014 increased compared to 2013. However, CCP 1 implementation has been able to lower the volume of HSFO consumption, and at the same time increased the use of coal as an energy source substitute.

Efisiensi yang dilakukan telah mampu mengoptimalkan pemanfaatan energi. Besaran intensitas energi pada tahun 2014 adalah 121,94 GJ/ton, naik dibandingkan tahun 2013 sebesar 120,98 GJ/ton. [G4-EN5]

The implemented efficiency effort has managed to optimize the use of energy. The amount of energy intensity in 2014 was 121.94 GJ/ton, an increase over 120.98 GJ/ton in 2013. [G4-EN5]

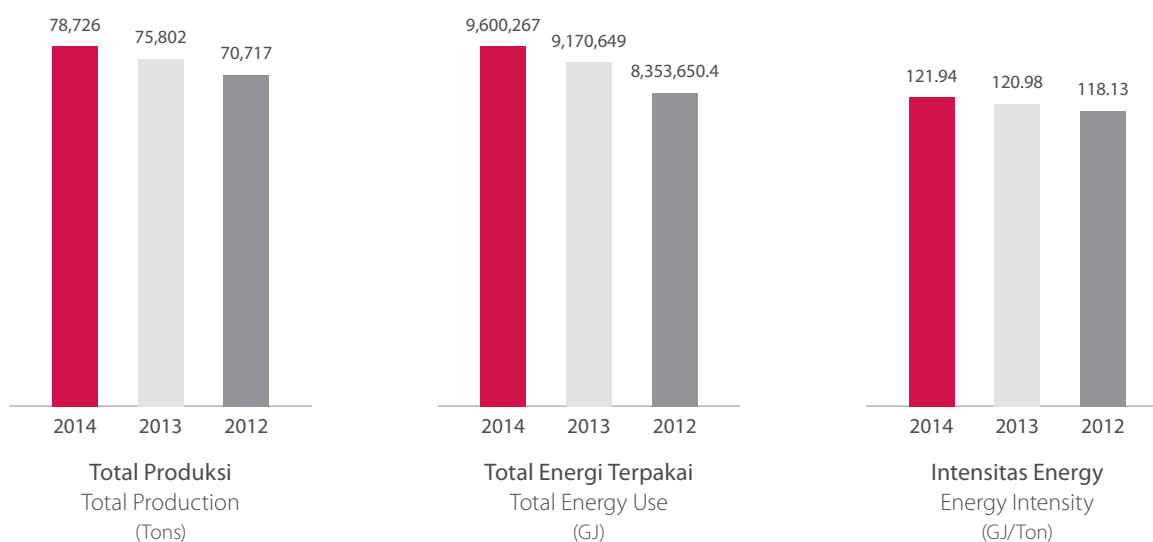
Total Energi Terpakai [G4-EN3, G4-EN4]

Total Use of Energy

Jenis Energi Types Of Energy	Satuan Unit	2014		2013		2012	
		Volume	GJ	Volume	GJ	Volume	GJ
Batubara Coal	MT	158,733	4,127	107,992	2,808	63,305	1,646
HSD	Liter	63,991,958	441,545	60,264,650	415,826	54,846,259	378,439
HSFO	Barrel	1,644,260	11,839	2,331,073	16,784	2,290,006	16,448
Bensin Gasoline	Liter	465,343	2,908	447,519	2,797	432,897	2,706
PLTD Diesel Power Plant	MWH	6,249	22,496	5,190	18,684	3,939	14,180
Listrik PLN Electricity (PLN)	MWH	2,288	8,236	1,424	5,126	1,308	4,709
PLTA Hydroelectric Power Plant	MWH	2,530,310	9,109,116	2,419,316	8,709,538	2,204,312	7,935,523
Total (GJ)			9,600,267		9,170,649		8,353,650

Total Intensitas Energi Terpakai [G4-EN5]

Total Use of Energy Intensity





94%

Konsumsi energi
bersumber PLTA

Energy consumption
sourced by Hydroelectric
power plants

.....

Besarnya energi yang dibutuhkan menjadikan PT Vale terus berupaya melakukan inovasi untuk mengoptimalkan pemanfaatan sumber-sumber energi yang ada. Kami juga memaksimalkan penggunaan sumber energi terbarukan melalui pengoperasian pembangkit listrik tenaga air (PLTA).

PT Vale mengoperasikan tiga unit PLTA, termasuk PLTA Karebbe yang mulai beroperasi pada bulan Oktober 2011. Pasokan listrik dari PLTA Karebbe bersama PLTA Larona dan PLTA Balambano, mampu mengurangi pemakaian HSFO sebanyak 400.000 barrel serta 64.000 kiloliter HSD. [G4-EN6]

Pasokan listrik dari PLTA juga menjadikan biaya pengolahan nikel menjadi lebih murah bila dibandingkan dengan pembangkit termal. Biaya pengolahan nikel dengan menggunakan listrik dari pembangkit termal sebesar AS\$2,06 per pon nikel, sementara ongkos produksi bila memanfaatkan listrik PLTA hanya 1 sen dollar AS per pon nikel. [G4-EN6]

The large amount of energy required has driven PT Vale to continue the innovation in optimizing the utilization of existing energy sources. We also maximized usage of renewable energy sources through the operation of hydroelectric power plant ('PLTA').

PT Vale operates three hydroelectric power plants ('PLTA'), including PLTA Karebbe, which began operating in October 2011. Electricity supply from PLTA Karebbe along with PLTA Larona and PLTA Balambano has managed to reduce HSFO consumption by 400,000 barrels and HSD by 64,000 kiloliters. [G4-EN6]

Electricity supply from hydroelectric power plants also lowered the costs of nickel processing compared to thermal power plant. Nickel processing cost by using electricity from thermal plant was US\$2.06 per pound of nickel, while production cost by using the electricity supply from hydroelectric power plant was only 1 US cent per pound of nickel. [G4-EN6]

Pengoperasian unit PLTA Karebbe juga mendatangkan manfaat lain bagi upaya pelestarian lingkungan, yakni berkurangnya emisi gas rumah kaca. Total emisi gas karbon yang dapat direduksi dari pengoperasian PLTA Karebbe adalah 500.000 metrik ton CO₂eq per tahun.

[G4-EN19]

Operation of PLTA Karebbe unit also brings other benefits for the preservation of the environment, which is the reduction of greenhouse gas emissions. Total carbon emissions that can be reduced from the operation of PLTA Karebbe is 500,000 metric tons CO₂eq per year.

[G4-EN19]

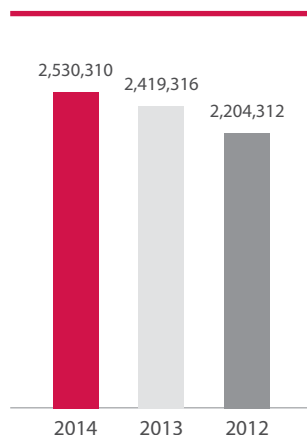
Kapasitas Daya PLTA [G4-EN3, G4-EN4]

Power Capacity of Hydroelectric Power Plant

No.	Unit PLTA Hydroelectric Power Plant Unit	Tahun Operasi Operational Year	Kapasitas Daya (Mw) Power Capacity
1	PLTA Larona	1979	165
2	PLTA Balambano	1999	110
3	PLTA Karebbe	Oktober 2011 Oktober 2011	90

Konsumsi energi terbarukan PLTA (MWH)

Renewable energi consumption of Hydroelectric Power Plant (MWH)



Sesuai batasan dalam pelaporan ini, informasi energi terkonsumsi selama tahun 2014 merupakan konsumsi energi untuk kegiatan penambangan dan pengolahan yang dilakukan oleh PT Vale maupun kontraktor. Laporan ini belum menyertakan besaran energi yang dikonsumsi masing-masing kontraktor untuk kegiatan lainnya. [G4-EN3, G4-EN4]

According to the boundary of this report, information on energy consumption during 2014 is energy consumption for mining and processing activities carried out by PT Vale and contractors. This report has yet to include amount of energy consumption by each contractor for other activities. [G4-EN3, G4-EN4]

PROYEK KONVERSI BATUBARA

Hingga akhir tahun 2014, pemakaian bahan bakar sebagai sumber energi dan pelumas masih merupakan komponen terbesar dari biaya produksi nikel dalam matte. Besaran pemakaian bahan bakar dan pelumas dalam proses produksi mencapai 37% dari total biaya produksi.

Total biaya produksi nikel dalam matte pada tahun 2014 mencapai AS\$736,5 juta. Adapun komponen biaya produksi terdiri atas:

- Untuk BBM dan pelumas mengambil porsi sebesar AS\$223 juta ;
- Untuk bahan pembantu sebesar AS\$150,5 juta;
- Biaya depresiasi, amortisasi dan depleksi sekitar AS\$122,2 juta.

Kami menyikapi kondisi ini dengan terus melakukan efisiensi guna mengurangi biaya pemakaian bahan bakar dan pelumas. Perseroan melanjutkan pelaksanaan proyek konversi batubara tahap pertama (CCP 1). Melalui ujicoba, batubara dimanfaatkan sebagai bahan bakar pada mesin pengeringan nikel sepanjang tahun 2014.

Dari hasil ujicoba yang dilakukan pada tahun 2014, diperoleh hasil bahwa konversi pemanfaatan HSFO dengan batubara telah dapat mengurangi biaya produksi sebesar 31% atau AS\$73,1 juta. Konsumsi HSFO pada 2014 sebesar 1,6 juta barel, lebih rendah 0,7 juta barel dibandingkan dengan tahun 2013, dengan harga rata-rata AS\$98,45 per barel pada tahun 2014, dibandingkan dengan harga rata-rata AS\$100,79 per barel pada 2013. Harga HSFO Perseroan didasarkan pada indeks Platts di Singapura. Efisiensi konsumsi operasional HSFO atas tingkat produksi nikel meningkat dari 30,75 barel per ton nikel pada 2013 menjadi 20,89 barel per ton nikel pada 2014, atau sekitar AS\$76,5 juta dalam hal efisiensi produksi. Selanjutnya, pemanfaatan batubara akan terus dilanjutkan menggunakan mesin tanur pengering maupun tanur pereduksi. [G4-EN6]

COAL CONVERSION PROJECT

By the end of 2014, the use of fuel as energy source and lubricants remained the largest component of the cost of nickel in matte production. The amount of fuel and lubricants in the production process reached 37% of total cost of production.

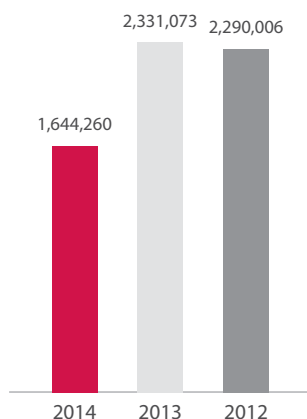
Total cost of nickel in matte production in 2014 reached US\$736.5 million. The components of production cost consist of:

- Oil Fuel and lubricants' portion of US\$223 million;
- Supplies amounted to US\$150.5 million;
- Depreciation, amortization and depletion costs were approximately US\$122.2 million.

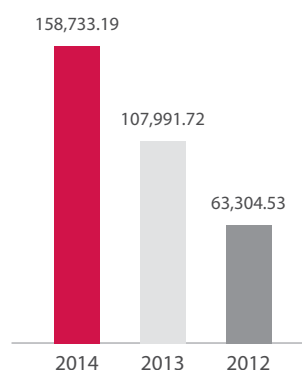
We responded to this condition by continuing to improve efficiency in order to reduce the costs of fuel and lubricants. The Company is continuing the implementation of the first phase of the coal conversion project (CCP 1). Through some tests, coal was used as fuel in the nickel drying equipment throughout 2014.

From the results of the tests carried out in 2014, the results showed that the conversion from HSFO to coal utilization has been able to reduce production costs by 31% or US\$73.1 million. HSFO consumption in 2014 was 1.6 million barrels, down 0.7 million barrels compared to 2013, with an average price of US\$98.45 per barrel in 2014, compared to the average price of US\$100.79 per barrel in 2013. The Company's HSFO prices are based on Platts index in Singapore. HSFO operational consumption efficiency on the level of nickel production increased from 30.75 barrels per ton of nickel in 2013 to 20.89 barrels per ton of nickel in 2014, or approximately US\$76.5 million in terms of production efficiency. Furthermore, we will continue to use coal for rotary dryers and reduction kilns. [G4-EN6]

HSFO (Barrel)
High Sulfur Fuel Oil (Barrel)



Batubara (MT)
Coal (MT)



Manfaat penting lain dari pelaksanaan konversi batubara untuk menggantikan HSFO adalah pengendalian emisi SO_2 , mengingat pemakaian HSFO akan menimbulkan dampak bagi lingkungan, yakni emisi SO_2 .

Other important benefit from HSFO to coal conversion is control of SO_2 emissions, considering the use of HSFO may cause an impact on the environment in the form of SO_2 emissions.

90%

Tingkat konversi batubara
Conversion coal rate

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Pengukuran dilaksanakan oleh pihak laboratorium eksternal terakreditasi. Seluruh parameter diukur berdasarkan Keputusan Menteri Negara Lingkungan Hidup (Kepmen LH) No.13 Tahun 1995, dan Surat Edaran Kementerian Lingkungan Hidup No.B-8594/MENLH/09/2011 mengenai emisi SO_2 untuk industri nikel. Hasil pemantauan dan pengukuran dilaporkan secara berkala kepada Pemerintah melalui laporan Rencana Pengelolaan Lingkungan (RKL) dan Rencana Pemantauan Lingkungan (RPL).

Measurements are carried out by accredited external laboratories. All parameters are measured based on Ministry of the Environment Decree No. 13 of 1995, and Ministry of the Environment Circular No. B-8594/MENLH/09/2011 regarding SO_2 emissions for nickel industry. Monitoring and measurement results are reported regularly to the Government through reports of Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL).

Hasil Pengukuran Emisi dari Cerobong [G4-EN21]

Stack Emission Monitoring and Result

Parameter Parameters	Satuan Unit	Baku Mutu Quality Standard	Tanur Reduksi Kiln		Tanur Peleburan Furnace		Tanur Pengereng Dryer	
			Min	Max	Min	Max	Min	Max
2014								
NO ₂	mg/Nm ³	900	16	101	11	22	4	7
Opacity	%	35	5	25	10	30	5	5
Particulate	mg/Nm ³	300	11.3	92.9	120.7	175.8	20.2	33.8
H2S	mg/Nm ³	35	<1	<1	<1	<1	<1	<1
Zn	mg/Nm ³	50	0.41	1.16	0.15	0.38	<0.008	0.41
Pb	mg/Nm ³	12	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
2013								
NO ₂	mg/Nm ³	900	26	129.0	4	6	1.000	4.000
Opacity	%	35	5	15.0	5	20	5	5
Particulate	mg/Nm ³	300	1.27	28.97	8.63	30.01	5.01	10.36
H2S	mg/Nm ³	35	<1	<1	<1	<1	<1	<1
Zn	mg/Nm ³	50	<0.008	<0.008	<0.008	<0.008	<0.008	<0.008
Pb	mg/Nm ³	12	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01

Keterangan : Baku Mutu berdasarkan Peraturan Gubernur Sulawesi Selatan No.69 Tahun 2010
Notes : Quality Standard based on South Sulawesi Governor Regulation No 69/2010

“Pelaksanaan konversi batubara ikut mendukung pengendalian emisi sulfur dengan target 0,86 kgSO₂/kgNi

The conversion of coal also bring benefits in controlling sulphur emissions with target of 0.86 kgSO₂/kgNi

”

KAMI IKUT MENJAGA SUMBER AIR

PT Vale memanfaatkan air untuk keperluan proses produksi dan pembangkitan tenaga listrik (PLTA). Sumber air yang digunakan adalah sumber air permukaan dari Danau Matano.

Selama tahun 2014 total volume air yang digunakan 13.050.096 meter kubik (m³), naik 19,7% dibandingkan tahun 2013 sebanyak 10.904.033 m³. Proses pemanfaatan air Danau Matano dilakukan dengan pengawasan ketat dan tidak mempengaruhi volume air danau keseluruhan. [G4-EN8, G4-EN9]

Rerata pemakaian air danau untuk keperluan produksi pada tahun 2014 adalah 108,3 m³ per ton nikel dalam matte, naik dibandingkan rerata tahun 2013 sebanyak 100,7 m³ per ton nikel dalam matte. Hal ini disebabkan karena meningkatnya jumlah produksi nikel di tahun 2014 sebesar 2.924 ton.

Selain mengendalikan volume air yang dimanfaatkan, PT Vale juga selalu memantau kualitas air Danau Matano beserta keanekaragaman hayati di dalamnya. Kami memastikan tidak ada spesies di Danau Matano yang termasuk dalam Daftar Merah IUCN, maupun keanekaragaman hayati lain yang terganggu akibat pengambilan dan pemanfaatan air danau. [G4-EN26]

WE TAKE PART IN CONSERVING WATER SOURCES

PT Vale uses water for production process and power generation (hydroelectric power plant). The source of water used is surface water from Lake Matano.

During 2014, total volume of water use was 13,050,096 cubic meters (m³), up 19,7% compared to 10,904,033 m³ in 2013. Process of Lake Matano water use was conducted under stringent supervision and did not affect total volume of the lake water. [G4-EN8, G4-EN9]

The average consumption of lake water for production in 2014 was 108.3 m³ per ton of nickel in matte, up compared to the average of 100.7 m³ per ton of nickel in matte in 2013. This was due to increased nickel production in 2014 of 2,924 tons.

In addition to controlling the volume of water used, PT Vale also regularly monitors the water quality of Lake Matano, along with biodiversity in it. We ensure no species in Lake Matano included in the IUCN Red List, as well as other biodiversity were disrupted by utilization of the lake water. [G4-EN26]

Total Volume Air Terpakai Berdasarkan Sumber (m³)

Total Water Usage Based on Sources (m³)

Sumber Air Water Sources	Penggunaan Usage	2014	2013	2012
Air Permukaan Surface Water	Pabrik Plant Site	8,512,063.5	7,645,426.08	7,966,407.97
	Pemukiman Residence	4,538,843.0	3,302,606.67	3,197,452.22
	PLTA Hydroelectric Power Plant	10,299,860,508.65	9,792,280,787.43	8,744,842,760.19

Intensitas Pemakaian Air untuk Produksi Water Intensity for Production

Uraian Description	Satuan Unit	2014	2013	2012
Produksi Nikel dalam Matte Nickel in Matte Production	MT	78,726	75,802	70,717
Konsumsi Air Water Consumption	m ³	8,512,063.5	7,645,426.08	7,966,407.97
Konsumsi Air per Ton Produksi Water Consumption per Ton Production	m ³ /MT	108.3	100.7	113.6

Di samping penggunaan air untuk keperluan proses produksi dan pembangkitan tenaga listrik (PLTA), PT Vale berupaya meminimalkan dampak terhadap sumber air sebagai akibat dari kegiatan tambang. Air limbah dari wilayah tambang memiliki kandungan konsentrasi Cr6+ yang berpotensi terbawa oleh aliran air hujan. Dampak negatif ini ditanggulangi dengan pengendalian kandungan padatan dalam air limbah pada kolam sedimentasi sebelum dialirkan kembali ke badan air. [G4-EN26]

Kami telah membangun kolam sedimentasi berkapasitas 3,5 juta m³ yang berfungsi mengendapkan padatan terlarut di dalamnya, dengan menambahkan *ferrous sulfat monohidrat*. Selanjutnya, dilakukan pengujian secara teratur untuk memastikan bahwa kualitas olahan air limbah tersebut telah memenuhi baku mutu yang ditetapkan Pemerintah. Sebagian dari air di kolam pengendapan ini juga dimanfaatkan untuk penyiraman jalan di area tambang. [G4-EN22]

In addition to water use for production process and power generation (hydroelectric power plant), PT Vale also attempts to minimize the impact on water sources due to mining activities. Wastewater from the mine containing Cr6+ concentration is potentially carried by runoff water. This negative impact is mitigated by controlling solids content of wastewater in sedimentation pond before being recirculated into the water body. [G4-EN26]

We have built sedimentation ponds with capacity of 3.5 million m³ to settle dissolved solids in it, by adding ferrous sulfate monohydrate. Furthermore, We conduct testing regularly to ensure the processed wastewater quality has met the quality standards set by the Government. Most of the water in sedimentation ponds is also used for watering the road in mine area. [G4-EN22]



Volume Air Limbah dan Sumbernya [G4-EN22]

Waste Water Volume and Source

Sumber Source	Badan Air Water Bodies	Volume Buangan (m ³) Volume of Discharge (m ³)	Pengolahan Cr6+ Cr6+ Treatment	
		2014	Total padatan Total suspended solids (mg/L)	Fe terlarut (mg/L) Fe dissolved (mg/L)
Anak Sungai Lamoare Lamoare Creek (LC3)	Danau Matano Lake Matano	6,525,922	21	0.41
Lamangka (LMK)	Danau Mahalona Lake Mahalona	62,528,228	18	0.31
Petea Timur East Petea	Danau Matano Lake Matano	4,628,641	25	0.61
Petea Barat West Petea	Danau Matano Lake Matano	14,000,934	44	0.41

Danau Matano merupakan danau tertua di antara lima danau lainnya yang membentuk sistem danau Malili, yakni Towuti, Mahalona, Masapi dan Lontoa. Dalam program pengendalian dampak PT Vale, perlindungan sistem danau Malili menjadi prioritas.

Sistem danau Malili dianggap sebagai sistem danau yang sangat penting karena merupakan danau purba dan memiliki tingkat endemisme yang sangat tinggi. Terdapat sejumlah spesies yang hanya bisa hidup di Danau Matano dan danau-danau lain, karena memerlukan air dengan kualitas tertentu yang harus dijaga dengan baik.

Kualitas air di sistem danau Malili termasuk yang paling bersih di dunia. Tingkat padatan terlarut (*total suspended solids*) di Danau Matano adalah sekitar 140 mg/l, yaitu jauh di bawah baku mutu air minum (500 mg/l). Kebersihan air danau ini menunjukkan bahwa PT Vale telah berhasil melindungi danau selama masa operasinya lebih dari 40 tahun.

CARA KAMI MENGELOLA LIMBAH

Peningkatan produksi nikel dalam matte pada kurun waktu periode pelaporan, menjadikan kebutuhan bahan baku bijih nikel laterik ikut meningkat. Pasokan bahan baku dipenuhi dari kegiatan penambangan yang dilakukan pihak kontraktor.

Seiring meningkatnya kegiatan penambangan untuk memenuhi pasokan bahan baku bijih nikel laterik, maka volume limbah yang dihasilkan, terutama kupasan tanah lapisan atas atau *overburden*, juga mengalami peningkatan. Kami mengelola material *overburden* dengan cara: [DMA, G4-EN22, G4-EN23, MM3]

1. Ditimbun pada area penimbunan (*disposal pit*) di sekitar lokasi kegiatan penambangan;
2. Dimanfaatkan ulang sebagai material timbun, untuk menimbun kembali lahan pascatambang dalam proses reklamasi.

Lake Matano is the oldest among five lakes that make up lake Malili system, with the other four lakes are Towuti, Mahalona, Masapi and Lontoa. In the impact control program of PT Vale, lake Malili system protection is a priority.

Lake Malili system is considered as a very important lake system because it is an ancient lake and has a very high level of endemism. There are several species, which can only live in Lake Matano and the other lakes, because they require water of particular quality that must be maintained properly.

The water quality in lake Malili system is deemed as the cleanest in the world. The level of total suspended solids in Lake Matano is approximately 140 mg/l, which is far below the drinking water quality standard (500 mg/l). The clean lake water indicates that PT Vale has managed to conserve the lake during its operations of more than 40 years.

OUR WAY IN MANAGING WASTE

Increased production of nickel in matte during the reporting period caused increase in needs of lateritic nickel ore raw material. Supply of the raw material is provided by the contractors.

In line with the increased mining activities to meet the supply of lateritic nickel ore raw material, the volume of waste also increased mainly generated from overburden. We manage the overburden material in the following ways: [DMA, G4-EN22, G4-EN23, MM3]

1. Piled in disposal pit, in the vicinity of mining operations;
2. Reused as backfilling material, to fill the post-mining land during reclamation process.

Volume Material Overburden Dihasilkan

Volume of Generated Overburden Material

Material Limbah Waste Material	Satuan Unit	2014	2013	2012
Overburden Sisa lapisan tanah	WMT	33,335,407	30,027,605	31,368,502
Lapisan tanah atas Top soil	WMT	510,426	291,676	459,008
Batuan Reject Station Rock	Ton	4,570,958	4,494,928	4,353,800

Limbah lain juga dihasilkan dari proses produksi nikel dalam matte. Beberapa di antaranya bersifat mengandung bahan berbahaya dan beracun (B3). Limbah tersebut dikelola dan diolah dengan cara dimanfaatkan ulang, baik oleh PT Vale maupun pihak ketiga yang memiliki izin dari Kementerian Lingkungan Hidup dan Kehutanan. [\[G4-EN22, G4-EN23\]](#)

Other wastes are generated from the production of nickel in matte. Some of them contain hazardous and toxic materials (B3). Furthermore, the waste is managed and processed by reusing it, either by PT Vale or a third party who has the license from the Ministry of Environment and Forestry. [\[G4-EN22, G4-EN23\]](#)

Volume Limbah B3 [\[G4-EN24\]](#)

Volume of Hazardous and Toxic Waste

Jenis Limbah B3 Dihasilkan Type of Hazardous and Toxic Waste	Satuan Unit	2014	2013	2012
Oli dan Gemuk Bekas Used Lubricants and Grease	Ton	1,358.81	1,166.80	1,172.64
Baterai dan Aki Bekas Used Battery and Accu	Ton	51.5	20.9	39.9
Asbes Asbestos	Ton	7.4	17	6.7
Limbah Medis Medical Waste	Ton	1.2	1.7	1.2
Bahan Terkontaminasi Oli dan Gemuk Lubricants and Grease Contaminated Materials	Ton	209.73	137.4	178.9
Cat dan Bahan Kimia Paints and Chemicals	Ton	15.8	41.5	7.4
Jumlah Total	Ton	1,644.4	1,385.3	1,406.74

Jenis dan Metode Pengelolaan Limbah B3 Type and Management Method of Hazardous Waste

Jenis Limbah B3 Dihasilkan

Type of Hazardous and Toxic Waste

Oli dan Gemuk Bekas | Used Lubricants and Grease

Baterai dan Aki Bekas | Used Battery and Accu

Asbes | Asbestos

Limbah Medis | Medical Waste

Bahan Terkontaminasi Oli dan Gemuk
Lubricants and Grease Contaminated Materials

Cat dan Bahan Kimia | Paints and Chemicals

Bentuk Pengelolaan

Form of Management

Dimanfaatkan kembali | Reused

Dikirim ke pihak ke tiga | Sent to a third party

Dikirim ke pihak ke tiga | Sent to a third party

Dibakar di Incinerator | Burned in incinerator

Dikirim ke pihak ke tiga | Sent to a third party

Dikirim ke pihak ke tiga | Sent to a third party

Khusus untuk limbah domestik, kami mengelolanya dengan cara melakukan pemisahan (segregasi) antara sampah organik dan non-organik. Selanjutnya sampah organik ditimbun di tempat pembuangan sampah (TPA) yang dikelola Perseroan, sedangkan sampah non-organik dikelola oleh pihak ketiga di bawah pengawasan PT Vale.

As for domestic waste, We manage it through segregation between organic and non-organic waste. Furthermore, organic waste is disposed in the landfill (TPA), which is managed the Company, while non-organic waste is managed by a third party under the supervision of PT Vale.

MENGATASI TUMPAHAN MINYAK [G4-EN24]

Komitmen PT Vale pada upaya melestarikan lingkungan diwujudkan dalam upaya penyelesaian keluhan warga atas dugaan terjadinya tumpahan minyak di Laut Lampia, Kabupaten Luwu Timur. Warga berpendapat, tumpahan minyak bersumber dari kegiatan pembongkaran bahan bakar minyak (BBM) di Pelabuhan Mangkasa.

Dari hasil pemeriksaan internal yang dilakukan, tumpahan minyak yang disebutkan dalam keluhan warga berlokasi di Pelabuhan Mangkasa dan terjadi karena sistem komunikasi yang kurang tepat sehingga menyebabkan adanya kesalahan dalam melakukan pemindahan bahan bakar.

MANAGING OIL SPILL [G4-EN24]

PT Vale's commitment in environmental preservation effort is manifested in resolving residents' complaints on alleged oil spill case in Lampia Sea, East Luwu Regency. According to the residents, the oil spills originated from oil fuel (BBM) unloading activities in Mangkasa Port.

From the results of an internal investigation, the oil spill that has been complained by the residents took place in Mangkasa Port and occurred due to lack of proper communication system, causing an error in the transfer of fuel.

Langkah-langkah yang telah kami lakukan untuk mengatasi persoalan ini adalah:

1. Menutup sebaran tumpahan untuk mencegah kontaminasi akibat tumpahan minyak
2. Membersihkan sisa tumpahan mulai dari pelabuhan Mangkassa sampai lokasi – lokasi lain yang terindikasi terkontaminasi tumpahan minyak.
3. Memeriksa kualitas air terkontaminasi secara berkala.

Sebagai langkah antisipasi agar peristiwa serupa tidak terulang, PT Vale telah menempuh kebijakan:

1. Mengkaji dan mencari cara terbaik dalam melakukan pemindahan bahan bakar dari kapal ke tangki.
2. Berkordinasi dengan petugas pelabuhan (syahbandar) agar membantu mengawasi dan mengingatkan kru kapal agar pemindahan bahan bakar mengikuti prosedur yang berlaku.

The measures that We have taken to address this problem are:

1. Closing the spill spread to prevent the contamination due to the oil spills
2. Cleaning the spill from Mangkassa port to other locations that were indicated to be contaminated by oil spill.
3. Checking the contaminated water quality regularly.

As a precaution to prevent similar incidents from recurring, PT Vale has undertaken the following policies:

1. Review and find the best way to transfer fuel from the ship to the tank.
2. Coordinate with port official (harbormaster) in order to help monitor and remind the ship crew that the transfer of fuel to follow the applicable procedures.





MENGELOLA KEBERLANJUTAN BERSAMA MASYARAKAT

Managing Sustainability with
Community



3.74
million US\$

Dana investasi
pengembangan masyarakat
Community Investment
funds

Memasuki tahun 2014, kami merealisasikan Program Terpadu Pengembangan Masyarakat (PTPM), yang merupakan bagian dari Strategi Pengelolaan Pemangku Kepentingan dan Rencana Pengelolaan Sosial (RPS) tahun 2013 – 2017.

Entering 2014, We realized the Integrated Community Development Program ('PPTM'), which was part of the Stakeholder Management Strategy and Social Management Plan (SMP) for 2013 to 2017.

PT Vale senantiasa menjalin dan membina hubungan baik dengan segenap pemangku kepentingan. Dengan demikian akan terbangun sinergi sehingga keberadaan Perseroan akan mendapatkan dukungan dari para pemangku kepentingan.

Bersama dengan konsultan independen, PT Vale telah melakukan pemetaan internal untuk mengidentifikasi para pemangku Perseroan. Mereka adalah pemegang saham, masyarakat lokal, pemerintah, kelompok bisnis dan profesional, akademisi dan pengamat, media massa, dan pemimpin komunitas. [G4-24, G4-25]

Bagian ini hanya akan menguraikan segala hal berkaitan dengan masyarakat lokal dan pemerintah daerah. Adapun uraian atas pendekatan untuk pemangku kepentingan lainnya beserta hal-hal bersifat material yang menjadi pembahasan, diuraikan dalam Bab Lampiran pada pelaporan ini. [G4-26, G4-27]

PT Vale continues to establish and maintain good relations with all stakeholders. Thereby, it will build synergies that may gain the stakeholders' support for the Company's presence.

Together with an independent consultant, PT Vale has conducted an internal mapping to identify the Company's stakeholders. They are shareholders, local communities, governments, business and professional groups, academics and observers, mass media, and community leaders. [G4-24, G4-25]

This section will only describe matters relating to the local communities and local governments. Description on the approach to other stakeholders and material subjects are described in the Appendix of this report.

[G4-26, G4-27]



MEMBANGUN DIALOG MENCARI SOLUSI

PT Vale menghargai hak-hak masyarakat di area Perseroan berkegiatan, termasuk masyarakat adat. Kami selalu mengedepankan dialog secara damai, dalam menyikapi setiap dinamika yang berkembang dan mengupayakan solusi saling menguntungkan.

BUILDING DIALOGUE FINDING SOLUTION

PT Vale respects the rights of communities in the area of the Company's operations, including indigenous peoples. We always promote peaceful dialogue, in responding to each of the developing dynamics and seek mutually beneficial solutions.

Kami berkomitmen hadir dalam pelaksanaan kegiatan dengar keterangan umum inkuiri nasional hak masyarakat hukum adat atas wilayahnya di kawasan hutan regional Sulawesi, yang diselenggarakan Komisi Nasional Hak Asasi Manusia (KOMNAS HAM). Kehadiran PT Vale menjadi bagian dari upaya untuk membangun dialog dengan masyarakat adat Karunsie di Kampung Dongi, Desa Magani, Kecamatan Nuha, Kabupaten Luwu Timur. Bersama dengan KOMNAS HAM, Perseroan berupaya mendapatkan penyelesaian terbaik atas persoalan yang dihadapi. [G4-HR8, G4-HR9, MM5]

We are committed to be present in the public hearing of the national inquiry on rights of indigenous people over their area within Sulawesi regional forest areas, which is organized by the National Commission on Human Rights (KOMNAS HAM). PT Vale's presence is part of the effort to establish dialogues with Karunsie indigenous peoples in Dongi Hamlet, Magani Village, Nuha District, East Luwu Regency. Together with KOMNAS HAM, the Company strive for the best solution for the problems. [G4-HR8, G4-HR9, MM5]

Tahun 2014, PT Vale hadir dalam kegiatan dengar keterangan umum yang diselenggarakan pada 27-29 Agustus 2014, di Kantor Wilayah Kementerian Hukum dan HAM Kota Palu, Sulawesi Tengah. Atas klaim kepemilikan tanah adat oleh masyarakat adat Karunsie di Kampung Dongi, Kami berpendapat bahwa kontrak karya PT Inco yang kemudian berganti menjadi PT Vale sudah ada sejak tahun 1968, dan pembangunan fasilitas seperti perumahan maupun lapangan golf dibantu pemerintah setempat, termasuk dalam hal pembebasan lahan yang dilakukan melalui musyawarah tanpa ada tindakan kekerasan.

In 2014, PT Vale was present in public hearing held on August 27 to 29, at Palu Regional Office of Ministry of Justice and Human Rights, Central Sulawesi. Regarding the customary land ownership claims by Karunsie indigenous peoples in Dongi Hamlet, We found PT Inco's contract of work, which later changed into PT Vale has existed since 1968, and the construction of facilities such as housing and golf courses was supported by the local government, including in land acquisition which was conducted through dialogues without any violence.

Melalui dialog yang terbangun, selama tahun 2014 kami telah mampu menyelesaikan beberapa dinamika dengan warga setempat.

Through the dialogues, during 2014 We managed to resolve several dynamics with local residents.

Dinamika dengan Masyarakat dan Penyelesaian

Dynamics with Society and Resolution

No	Bentuk Dinamika Form of Dynamics	Penyelesaian Resolution
1	Banjir di Sungai Lampesue, Mahalona Flooding of Lampesue River, Mahalona	Kompensasi telah diberikan kepada penduduk yang terkena dampak banjir sungai Compensation had been distributed to residents affected by flooding of the river
2	Tumpahan minyak HSFO di Desa Harapan, Kecamatan Malili HSFO oil spill in Harapan Village, Malili District	Penggantian alat tangkap yang rusak akibat <i>oil spill</i> kepada Desa Harapan Replacement of damaged fishing equipment due to oil spill in Harapan Village
3	Akuisisi Lahan di Blok Bahodopi Land Acquisition in Bahodopi Block	Pemberian kompensasi atas akuisisi lahan di Blok Bahodopi guna keperluan pembuatan jalan oleh PT Vale Compensation distribution on land acquisition in Bahodopi Block for road construction by PT Vale

PROGRAM TERPADU PEMBERDAYAAN MASYARAKAT

Memasuki tahun 2014, kami merealisasikan Program Terpadu Pengembangan Masyarakat (PTPM), yang merupakan bagian dari Strategi Pengelolaan Pemangku Kepentingan dan Rencana Pengelolaan Sosial (RPS) tahun 2013 – 2017. Pelaksanaan PTPM terbagi menjadi tiga pilar, yaitu Program Mitra Desa Mandiri (PMDM), *Social Development*, dan *Complementary Support Fund*. [DMA]

Peresmian PTPM dilaksanakan pada 21 Januari 2014, di baruga terbuka kantor Badan Pelaksana Penyuluhan Pertanian Perikanan dan Kehutanan (BP4K), Malili, Kabupaten Luwu Timur. PT Vale Indonesia dan Pemkab Luwu Timur juga menandatangani nota kesepahaman (MoU) kemitraan tiga pihak dan dilanjutkan dengan penyerahan RPS PTPM dari PT Vale kepada Pemkab Luwu Timur.

Pelaksanaan PTPM diharapkan dapat membantu Pemkab Luwu Timur mewujudkan Luwu Timur sebagai kabupaten agroindustri, dan meningkatkan kesejahteraan masyarakat setempat. Dengan demikian mereka dapat merasakan manfaat dari kehadiran Perseroan, sekaligus meminimalkan dampak sosial. PT Vale berkomitmen menyediakan dana IDR40 miliar hingga IDR50 miliar per tahun, disesuaikan kinerja keuangan Perseroan. [G4-SO1]

INTEGRATED COMMUNITY EMPOWERMENT PROGRAM

Entering 2014, We realized the Integrated Community Development Program (ICDP), which was part of the Stakeholder Management Strategy and Social Management Plan (SMP) for 2013 to 2017. ICDP implementation is divided into three pillars, namely the Independent Village Partnership Program (PMDM), Social Development, and Complementary Support Fund. [DMA]

PTPM was officially launched on January 21, 2014, at the hall of Executive Board for Agriculture, Fisheries and Forestry Extension (BP4K), Malili, East Luwu Regency. PT Vale Indonesia and East Luwu Regency Government also signed a memorandum of understanding (MoU) on tripartite partnership, followed by handover of RPS PTPM from PT Vale to the East Luwu Regency Government.

PTPM implementation is expected to support East Luwu Regency Government to establish East Luwu as agro-industry regency, and improve the welfare of local communities. Thus, they can benefit from the presence of the Company, while minimizing the social impact. PT Vale is committed to providing funds of IDR40 billion up to IDR50 billion per year, according to the Company's financial performance. [G4-SO1]



38 villages

Penerima manfaat
pelaksanaan PTPM
Beneficiaries of ICBP
implementation

.....

Pada tahun 2014, pelaksanaan PTPM meliputi empat kecamatan di area PT Vale berkegiatan di Kabupaten Luwu Timur Sulawesi Selatan, Kabupaten Morowali, Sulawesi Tengah dan Kabupaten Kolaka, Sulawesi Tenggara. Untuk mendukung pelaksanaan program/kegiatan pengembangan masyarakat pada tahun 2014, Perseroan mengalokasikan dana untuk program pengembangan masyarakat sebesar AS\$3,7 juta. [G4-SO2]

For 2014, PTPM implementation covered four districts in the areas of PT Vale's operations in East Luwu Regency in South Sulawesi, Morowali Regency in Central Sulawesi, and Kolaka Regency in Southeast Sulawesi. In order to support the implementation of community development programs/activities in 2014, the Company allocated US\$3.7 million in funds. [G4-SO2]

Realisasi Anggaran PTPM (AS\$) [G4-SO1]

Realization of PTPM Budget (US\$)

No	Jenis program Type of program	Sulteng C. Sulawesi	Sultra SE. Sulawesi	Sulsel S. Sulawesi	Total Seluruh Area Total All Areas
1	Bidang Keagamaan Religious Sector	3,713.32	-	42,317.33	46,030.65
	Bidang Sosial Budaya Social Culture Sector	-	-	209,454.47	209,454.47
	Bidang Olahraga dan Kepemudaan Sports and Youth Sector	-	-	50,532.61	50,532.61
2	Pemberdayaan Masyarakat Community Empowerment	-	-	-	-
	Bidang Pendidikan Educational Sector	28,132.91	(9,910.58)	492,550.38	510,772.71
	Bidang Kesehatan Health Sector	12,031.55	-	993,691.68	1,005,723.23
	Bidang Ekonomi Economic Sector	-	-	773,797.06	773,797.06
	Bidang Peternakan-Ekonomi Husbandry-Economic Sector	-	-	-	-
3	Pengembangan Infrastruktur Infrastructure Development	-	-	-	-
	Sarana Pendidikan Educational Facilities	-	-	-	-
	Sarana Kesehatan Health Facilities	-	-	-	-
	Sarana Peternakan-Ekonomi Husbandry-Economic Facilities	-	-	-	-
	Sarana Umum Lainnya Other Public Facilities	69,141.21	245,020.20	827,696.62	1,141,858.03
4	Bantuan Bencana Alam & Pelestarian Lingkungan Hidup Natural Disaster Relief & Environmental Preservation	-	-	-	-
	Bantuan Bencana Alam Natural Disaster Relief	-	-	-	-
	Pelestarian Lingkungan Hidup Environmental Preservation	9,287.28	-	-	9,287.28
	Total Program Reguler Total Regular Program	122,306.27	235,109.62	3,390,040.15	3,747,456.04

PROGRAM MITRA DESA MANDIRI

Program Masyarakat Desa Mandiri (PMDM) dilaksanakan menggunakan pendekatan pemberdayaan masyarakat melalui prinsip-prinsip partisipatif, kemandirian, akuntabilitas, keterpaduan dan keberpihakan terhadap masyarakat miskin dan kelompok rentan. PMDM dikelola dalam bentuk dukungan dana stimulan desa/kecamatan untuk kegiatan bidang kesehatan dan ekonomi serta penyediaan dukungan/bantuan pendanaan langsung masyarakat khususnya bagi kelompok rentan dan rumah tangga miskin.

Program PMDM direncanakan dalam kerangka strategi kerjasama kemitraan antara masyarakat, Pemerintah Kabupaten Luwu Timur, dan PT Vale dalam jangka waktu lima tahun, yakni tahun 2013-2017. PMDM dilaksanakan di empat wilayah di Kabupaten Luwu Timur, yang menjadi lokasi Perseroan berkegiatan, meliputi Kecamatan Nuha, Towuti, Wasuponda dan Malili.

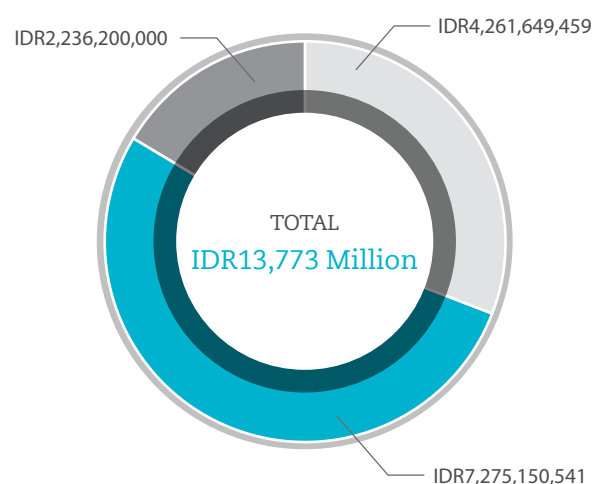
INDEPENDENT VILLAGE PARTNERSHIP PROGRAM

The Independent Village Partnership Program (PMDM) is implemented with community empowerment approach under principles of participatory, independence, accountability, integration and support for the poor and vulnerable groups. PMDM is managed in the form of village and district stimulant fund support for health and economic activities as well as providing direct support/ assistance funding for community, especially vulnerable groups and poor households.

PMDM program is designed within the framework of strategic partnership between the community, East Luwu Regency Government, and PT Vale within a period of five years, from 2013 to 2017. PMDM is carried out in four areas in East Luwu Regency, which are the locations of the Company's operations, covering Nuha, Towuti, Wasuponda and Malili districts.



Realisasi Anggaran PMDM Realization of PMDM Budget



■ Bidang Pengembangan Kapasitas Masyarakat
Community Capacity Building Sector

■ Bidang Ekonomi
Economic Sector

■ Bidang Kesehatan
Health Sector

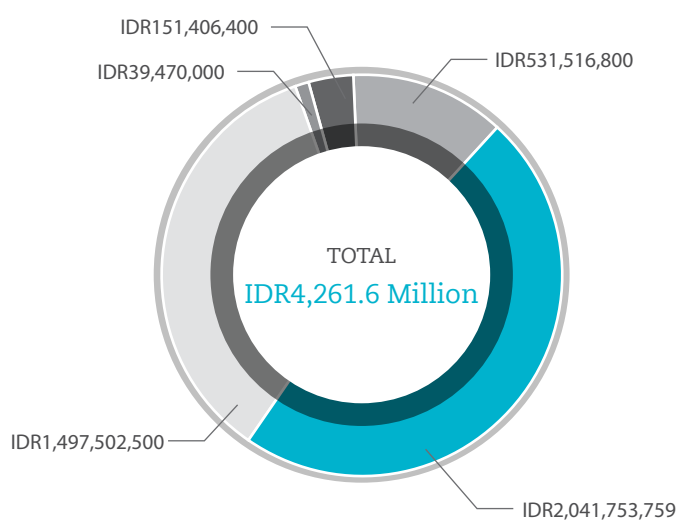
Pencapaian Pelaksanaan PMDM Bidang Kesehatan

Achievements of PMDM Implementation in Health Sector

Summary PMDM bidang kesehatan Summary of PMDM in health sector	Nuha	Wasuponda	Towuti	Malili
Sarana dan Prasarana kesehatan (pustu, puskesmas) Health facilities and infrastructure (community health sub-center, community health center)	12	13	57	28
Sanitasi & Kesehatan Lingkungan Sanitation & Environmental Health	3	4	12	12
Pelatihan peningkatan kapasitas kader kesehatan Training on capacity building for health volunteers	0	3	3	0
Promosi dan Penyuluhan Kesehatan Health promotion and education	4	3	10	0
Pelayanan kesehatan Ibu, anak, lansia, DBD Health service for Mothers, children, elderly, Dengue Fever	3	4	33	2
JUMLAH TOTAL	22	27	115	42

Realisasi Anggaran Program PMDM Bidang Kesehatan

Realization of Budget for PMDM Programs in Health Sector



- Pelayanan kesehatan Ibu, anak, lansia, DBD
Health service for Mothers, children, elderly, Dengue Fever
- Promosi dan Penyuluhan Kesehatan
Health promotion and education
- Pelatihan peningkatan kapasitas kader kesehatan
Training on capacity building for health volunteers
- Sanitasi & Kesehatan Lingkungan
Sanitation & Environmental Health
- Sarana dan Prasarana Kesehatan (pustu, puskesmas)
Health facilities and infrastructure (community health sub-center, community health center)

Jumlah Program PMDM Bidang Ekonomi Number of PMDM Programs in Economic Sector

Program Program	Kecamatan District				Total
	Nuha	Towuti	Wasuponda	Malili	
Total Kegiatan Total Activities	34	83	31	49	197



Realisasi Anggaran Program PMDM Bidang Ekonomi (IDR) Realization of Budget for PMDM Programs in Economic Sector (IDR)

Program Program	Kecamatan District				Total
	Nuha	Towuti	Wasuponda	Malili	
Prasarana Usaha Peternakan Infrastructure for Husbandry Business	112,750,000	190,800,000	117,450,000	71,202,500	492,202,500
Penyuluhan Pertanian Agricultural Extension	-	-	-	3,000,000	3,000,000
Pelatihan/Keterampilan UMKM MSME Training/Skills	-	-	-	41,972,000	41,972,000
Perikanan/kelautan Fisheries/maritime	5,000,000	27,940,000	37,212,000	135,363,500	205,516,000
Perkebunan Plantation	18,000,000	168,000,000	112,436,500	185,384,000	483,820,500
Dukungan UMKM MSME Support	498,885,000	322,976,250	146,767,541	186,000,000	1,154,628,791
Prasarana Desa Village Infrastructure	105,000,000	490,440,000	345,782,000	400,805,000	1,342,027,000
Sarana Pertanian Agricultural Facilities	346,725,000	2,204,788,750	447,300,000	553,170,000	3,551,983,750
Total Serapan Anggaran Total Budget Absorption					7,275,150,541

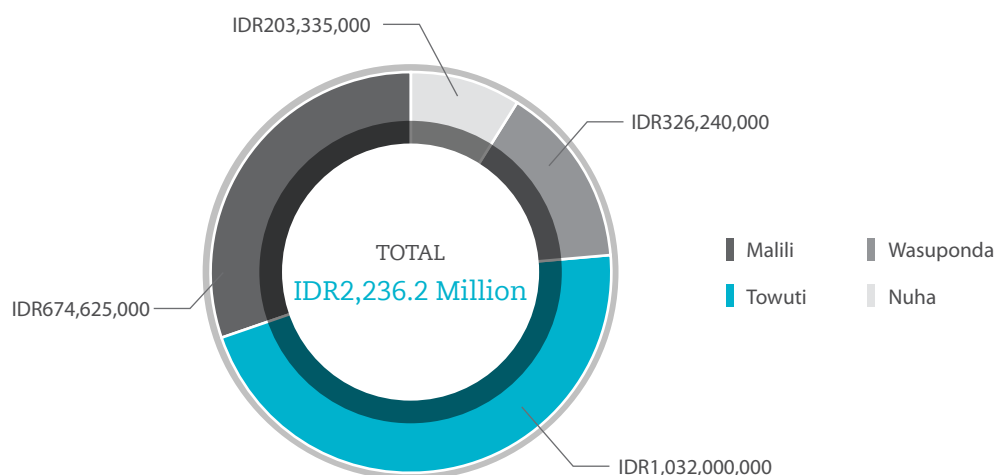
Jumlah Program Pengembangan Kapasitas Masyarakat

Number of PMDM Programs in Community Capacity Building

Program Program	Kecamatan District				Total
	Nuha	Towuti	Wasuponda	Malili	
Total Kegiatan Total Activities	14	52	23	27	116

Realisasi Anggaran Program Pengembangan Kapasitas Masyarakat

Realization of budget for PMDM Programs in Community Capacity Building



PROGRAM PENGEMBANGAN MASYARAKAT

Selama kurun waktu tahun 2014, PT Vale telah melakukan berbagai program pengembangan masyarakat di sekitar wilayah Perseroan berkegiatan. Kami mendorong peningkatan kesejahteraan dan perbaikan kualitas hidup masyarakat melalui kerangka pembangunan berkelanjutan.

• Bidang Pendidikan

PT Vale mengambil peran sebagai pendukung utama peningkatan kualitas pendidikan bagi masyarakat di wilayah operasional kami. Sepanjang tahun 2014, Kami telah menyelenggarakan berbagai program dan kegiatan, termasuk bantuan penyediaan 27 orang guru magang di empat area kecamatan pemberdayaan PT Vale, kerjasama dengan LPKGI (Lembaga Pengembangan Kompetensi Guru Indonesia) dalam pendampingan dan pelatihan peningkatan kapasitas para guru lokal dengan total dukungan lebih dari IDR1,4 miliar.

COMMUNITY DEVELOPMENT PROGRAM

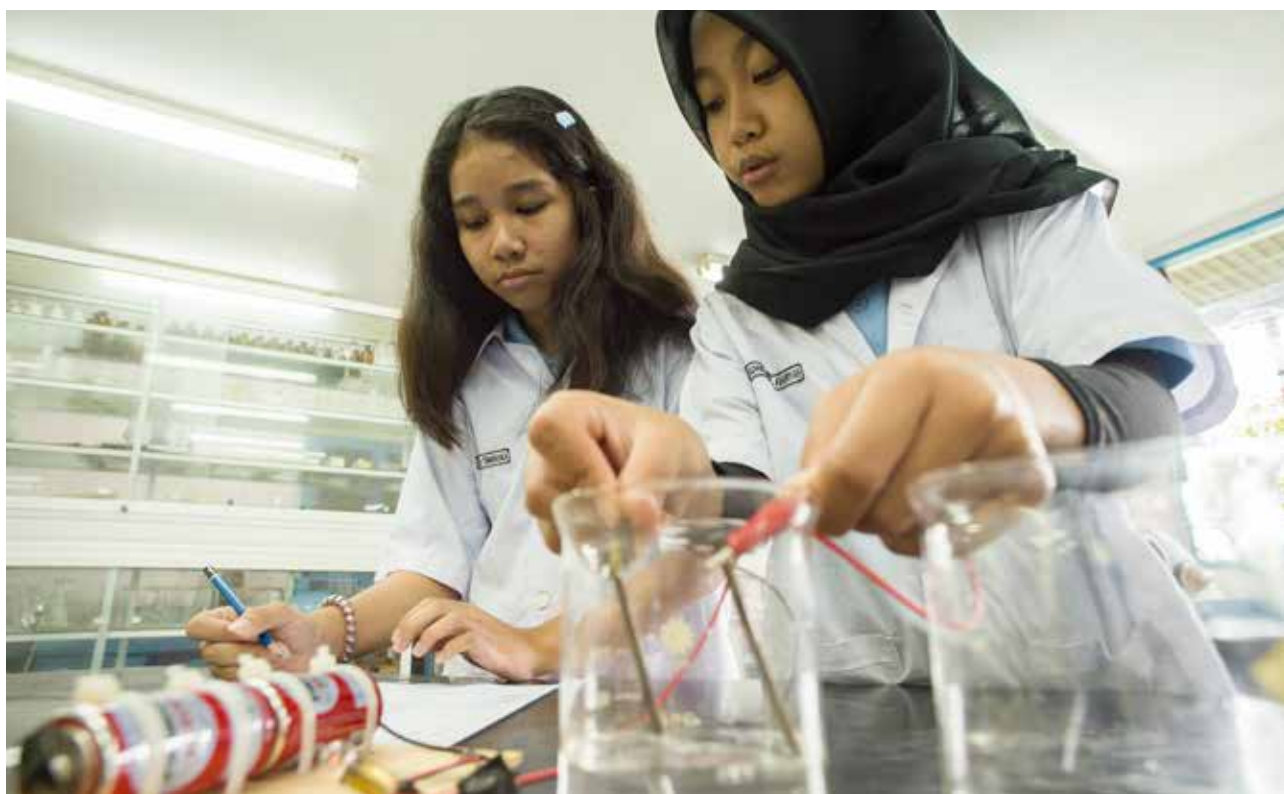
During the period of 2014, PT Vale has conducted various community development programs around the area of the Company's operations. We supported efforts in welfare and quality of life improvement through sustainable development framework.

• Educational Sector

PT Vale takes on the role as the main support for the improvement of the community's education quality in our operating area. Throughout 2014, We have organized various programs and activities, including the assistance of providing 27 intern teachers in four sub-districts of PT Vale's empowerment area, cooperation with LPKGI (Indonesian Teacher Competency Development Institute) in mentoring and training for local teachers' capacity building with a total support of more than IDR1.4 billion.

Kami juga telah menyelenggarakan berbagai program beasiswa dengan nilai dukungan lebih dari AS\$148.000 atau setara dengan IDR1,7 miliar yang mencakup program beasiswa “Anak Asuh” bagi sekitar 70 orang siswa lokal, bantuan pendanaan bagi mahasiswa Luwu Timur yang menempuh pendidikan di UIN Hidayatullah Jakarta dan ITS Surabaya, serta pemberian beasiswa Beasiswa Komunitas (lanjutan) khusus area Sulawesi Selatan dan Sulawesi Tenggara.

We also provide various scholarship programs with support value of more than US\$148,000 or equivalent to IDR1.7 billion, covering “Foster Children” scholarship program for approximately 70 local students, financial support for East Luwu students studying in UIN Hidayatullah, Jakarta and ITS, Surabaya, as well as scholarships of Community Scholarship (continuation) for special areas of South Sulawesi and Southeast Sulawesi.



“ Bagi PT Vale, peningkatan kualitas pendidikan bukan hanya menjadi tugas pemerintah dan penyelenggara pendidikan, melainkan merupakan tanggung jawab bersama.

For PT Vale, improving the quality of education is not only the duty of the government and education providers, but more of a shared responsibility.

”

Distribusi Anggaran Program Pengembangan Masyarakat [G4-SO1]

Distribution of Community Development Program Budget

No	Program Programs	Alokasi Dana Fund Allocation (US\$)	Kurs Exchange Rate	Aktual Actual
1	Beasiswa Scholarship	152,958	12,000	1,835,492,640
2	Program Bantuan Bus Sekolah Schoolbus Assistance Program	79,497	12,000	953,964,360
3	Program Guru Magang Teacher Internship Program	19,991	12,000	239,889,480
4	Pembangunan Gedung PAUD di Kabupaten Morowali Construction of Early Childhood Education center (PAUD) building in Morowali Regency	28,133	12,000	337,594,920
5	Dukungan untuk PAUD/TK di area Sorowako Support for PAUD/Kindergarten in Sorowako area	29,980	12,000	359,758,200
6	Program Praktek Kerja Industri Industrial On the Job Training Program	14,395	12,000	172,738,320
7	Pelatihan Guru Teacher Training	80,671	12,000	968,054,160
8	Renovasi Sekolah School Renovation	48,642	12,000	583,707,120
9	Survei bidang pendidikan Survey in educational sector	5,093	12,000	61,118,400
10	Dukungan lain untuk bidang pendidikan dan dukungan untuk Perpustakaan Desa Sorowako Other support for educational sector and support for Sorowako Village Library	51,413	12,000	616,954,920
TOTAL		510,773		6,129,272,520





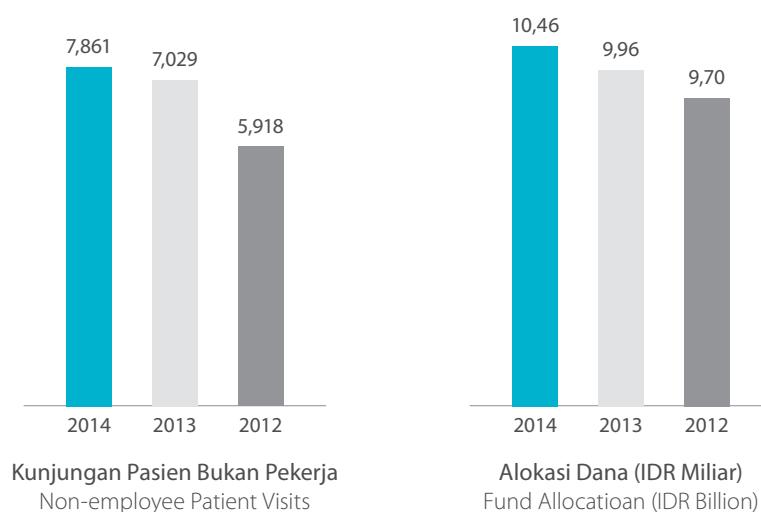
• Bidang Kesehatan

Dana pengembangan masyarakat di bidang kesehatan selama tahun 2014 masih didominasi oleh bantuan pembiayaan pengobatan pasien bukan pekerja/ masyarakat umum di Rumah Sakit (RS) Inco PT Vale.

• Health Sector

Community development funds in the health sector during 2014 were dominated by medical treatment cost assistance for non-employee/general public patients in PT Vale's RS Inco Hospital.

Program Pengembangan Masyarakat Bidang Kesehatan [G4-SO1] Community Development Program in Health Sector



Selama tahun 2014, RS Inco PT Vale juga telah menyelenggarakan beberapa kegiatan, salah satunya adalah membentuk Kelompok Kerja (Pokja) ASI, guna meningkatkan pengetahuan para ibu, baik karyawan maupun masyarakat umum. Pokja ASI memberikan edukasi pentingnya ASI bagi tumbuh kembang anak, dengan melibatkan tenaga kesehatan di rumah sakit, karyawan Perseroan, serta kelompok pendukung ASI di sekitar Sorowako.

During 2014, RS Inco of PT Vale organized several activities, one of which was establishing a Working Group on breastmilk (Pokja ASI), in order to improve the knowledge of mothers, both employees and the community. Pokja ASI provides education on the importance of breastmilk for children's growth, with the involvement of medical workers at the hospital, employees of the Company, as well as breastfeeding support groups around Sorowako.

Kami juga melaksanakan kegiatan-kegiatan lain dalam upaya meningkatkan kesehatan masyarakat, diantaranya:

We also carried out other activities in an effort to improve community health, including:

1. Sosialisasi kesehatan gigi dan mulut, pemeriksaan kesehatan gigi, dan pengukuran status gizi untuk 1.275 siswa sekolah dasar di Kecamatan Malili dan Towuti. Kegiatan tersebut merupakan bagian dari kegiatan Pekan Kesehatan Ibu & Anak yang merupakan program strategis bidang kesehatan PTPM PT Vale dan Pemkab Luwu Timur, dalam upaya meningkatkan kualitas kesehatan dasar bagi masyarakat di Kabupaten Luwu Timur. Pemeriksaan dilakukan oleh 55 anggota tim gabungan Fakultas Kedokteran, Fakultas Kedokteran Gigi, dan Fakultas Kesehatan Masyarakat Universitas Hasanuddin (Unhas), Makassar.
1. Dissemination on oral and dental health, dental examination and measurement of nutritional status for 1,275 elementary school students in Malili and Towuti districts. The activity was part of Mother & Child Health Week, which is a strategic program in PTPM health of PT Vale and East Luwu Regency Government, in an effort to improve the quality of basic health care for the community in East Luwu Regency. The examination was carried out by 55 members of the joint team of the Faculty of Medicine, Faculty of Dentistry, and Faculty of Public Health, University of Hasanuddin (UNHAS), Makassar.
2. Seminar kesehatan ibu dan anak dengan tema: Menjaga 1.000 Hari Awal Kehidupan. Seminar diikuti sekitar 500 peserta yang terdiri dari para bidan desa, kader kesehatan desa, perwakilan puskesmas dan perawat di Kabupaten Luwu Timur, pengurus PKK Lutim, perwakilan SKPD Lutim, para camat, dan perwakilan organisasi wanita lainnya.
2. Seminar on mother and child health with the theme: Preserving 1,000 Early Days of Life. The seminar was attended by approximately 500 participants including village midwives, village health volunteers, representatives of community health centers and nurses in East Luwu, E. Luwu PKK staff, E. Luwu SKPD representatives, district heads, and representatives of other women's organizations.
3. Sekitar 500 pelajar Sekolah Dasar mengikuti sosialisasi kesehatan mata dan menjalani pemeriksaan kelainan mata di kecamatan Wasuponda. Kegiatan ini didukung bersama oleh PT Vale, Pemerintah Kabupaten Luwu Timur, Universitas Hasanuddin, Persatuan Dokter Spesialis Mata Indonesia (PERDAMI) cabang Sulawesi Selatan, dan Yayasan Axis Medica Peduli.
3. Approximately 500 elementary school students participating in the dissemination of eye health and eye disorder examination in Wasuponda District. This program is supported jointly by PT Vale, East Luwu Regency Government, Hasanuddin University, Indonesian Ophthalmologists Association (PERDAMI) of South Sulawesi branch, and Yayasan Axis Medica Peduli.

4. Selain program kesehatan mata anak, dalam rangkaian program di atas juga dilaksanakan pemeriksaan ketajaman penglihatan dan operasi katarak untuk 23 pasien lanjut usia (Lansia) pada tanggal 20-21 Desember 2014 di RS Inco Sorowako. Kegiatan itu didukung oleh dokter ahli dari Yayasan Axis Medika Peduli. Pasien berasal dari Kecamatan Nuha, Towuti, Wasuponda, dan Malili.

Secara bertahap, PT Vale juga mendorong perubahan fokus layanan kesehatan pada upaya-upaya bersifat pencegahan seiring dengan tujuan PTPM. Kami terus memperkuat peran pusat kesehatan masyarakat (puskesmas) dan puskesmas pembantu, serta meningkatkan kapasitas maupun kemampuan tenaga medis.

Selain itu, PT Vale juga mendukung pembangunan fasilitas kesehatan, diantaranya pembangunan Puskesmas Tosiba di Kecamatan Samaturu, Kabupaten Kolaka, Sulawesi Tenggara yang diresmikan pada 17 Februari 2014. Peresmian dihadiri Presiden Direktur PT Vale Nico Kanter, unsur pemerintah daerah, dan tokoh masyarakat setempat. Puskesmas yang direnovasi dengan biaya IDR1,6 miliar ini dilengkapi ruang rawat inap VIP, laboratorium, kantor dan ruang pertemuan dan akan warga dari 19 desa dari tiga kecamatan yang berdekatan.

4. In addition to children's eye health, the program also conducted visual acuity examination and cataract surgery for 23 elderly patients on December 20 to 21, 2014 at RS Inco, Sorowako. The activities were supported by specialists from Yayasan Axis Medika Peduli. The patients came from Nuha, Towuti, Wasuponda, and Malili districts.

Gradually, PT Vale also promotes change in health care focus into preventive efforts in line with the aims of PTPM. We continue to strengthen the role of community health centers (Puskesmas) and sub-health centers, as well as improving the capacity and competencies of medical personnel.

In addition, PT Vale also supports the development of health facilities, including the construction of community health center in Tosiba, Samaturu District, Kolaka Regency, Southeast Sulawesi, which was inaugurated on February 17, 2014. The inauguration was attended by President Director of PT Vale Nico Kanter, elements of local governments and local community figures. The community health center was renovated at a cost of IDR1.6 billion, which is equipped with VIP ward, laboratory, offices and hall, and will provide service to residents of 19 villages in three neighboring districts.



• Bidang Sosial-Budaya dan Keagamaan

PT Vale dan Pemkab Luwu Timur meluncurkan buku cerita rakyat Luwu, sebagai upaya untuk melestarikan budaya lokal yang sebagian besar masih berbentuk sastra lisan sehingga rentan kepunahan. PT Vale membantu mendokumentasikan cerita rakyat sehingga bisa tetap diketahui generasi muda di Luwu Timur. Buku cerita rakyat yang telah diterbitkan:

- Putri Loeha dan Payung Saktinya (tahun 2008);
- Batu Tikumba-kumba dan Kisah-kisah lain dari Tana Luwu (tahun 2014);
- Pelayaran Cinta Sawerigading dan Cerita Rakyat Tana Luwu Lainnya (tahun 2014).

• Sosial-Culture and Religious Sector

PT Vale and East Luwu Regency Government Luwu launched books of folktales, in an effort to preserve the local culture, which is still largely in the form of oral literature and prone to extinction. PT Vale helped the documentation of the folktales to keep them known to the younger generation in East Luwu. The books of folktales that have been published:

- Princess Loeha and her Magic Umbrella (2008);
- Tikumba-kumba rock and other stories from Tana Luwu (2014);
- Love Voyage of Sawerigading and Other Folktales of Tana Luwu (2014).

No	Program Programs	Alokasi Dana Fund Allocation (US\$)	Kurs Exchange Rate	Aktual Actual (IDR)
1	Kegiatan Keagamaan Religious activities	30,075.64	12,000	360,907,680
2	Fasilitas dan Infrastruktur Keagamaan Religious Facilities and Infrastructure	16,285.84	12,000	195,430,080
3	Bantuan Sosial Budaya terkait kedukaan Social Cultural Assistance related to bereavement	22,285.80	12,000	267,429,600
4	Kegiatan Sosial Budaya Social and Cultural Activities	186,837.84	12,000	2,242,054,080
TOTAL		255,485.12		3,065,821,440

• Bidang Olahraga dan Kepemudaan

Kompetisi sepakbola tahunan Nickel Cup bergulir pada 12 Oktober hingga 2 November 2014. Kompetisi mempertemukan 16 klub sepakbola dari seluruh Kabupaten Luwu Timur untuk memperebutkan piala bergilir PT Vale. Pelaksanaan kegiatan ini diharapkan bisa ikut mendongkrak prestasi olahraga Kabupaten Luwu Timur dalam ajang Pekan Olahraga Daerah.

• Sports and Youth Sector

Annual soccer competition of Nickel Cup took place on October 12 to November 2, 2014. The competition brought together 16 soccer clubs across East Luwu to win PT Vale's challenge cup. The competition was expected to boost achievements of sports in East Luwu Regency during the Regional Sports Week event.

• Bidang Pemberdayaan Komunitas

Kami juga melanjutkan kegiatan pendirian pusat pembelajaran masyarakat atau *community learning centers* (CLC) di 15 desa pada area yang menjadi lokasi kegiatan Perseroan. Melalui CLC, PT Vale memberikan bantuan pembelajaran dan pelatihan pertanian berkelanjutan kepada para petani lada, kakao dan padi.

• Community Empowerment Sector

We also continued the establishment of community learning centers (CLC) in 15 villages in the area that became the location of the Company's activities. Through CLC, PT Vale provided learning assistance and sustainable agricultural training to pepper, cocoa and rice farmers.



Hingga akhir tahun 2014, sebanyak 500 petani telah terlibat dalam program pembelajaran dan pelatihan di CLC, dengan kegiatan yang dilaksanakan meliputi:

1. Sekolah Lapang (SL) Usaha Tani Merica
Masing-masing SL terdiri dari 20-30 petani yang akan melakukan praktek di langsung secara mandiri. Jumlah tanaman yang dibagikan dengan umur 3 – 18 bulan adalah sebanyak 500 batang, umur 19 bulan sampai 4 tahun sebanyak 500 batang dan umur 5 tahun ke atas sebanyak 500 batang. Pembagian jumlah tanaman yang diteliti dilakukan berdasarkan kepemilikan tanaman dengan jumlah yang disepakati dalam kelompok.

By the end of 2014, a total of 500 farmers have been involved in learning and training programs at CLC, with activities carried out include:

1. Farmer Field School (FFS) of Pepper Farming
Each FFS consists of 20-30 farmers who will conduct direct practice independently. The distributed plants consisted of 500 plants by the age of 3-18 months, 500 plants aged 19 months to 4 years and 500 plants aged 5 years and above. The number of plants to be studied was distributed based on ownership of plants and agreement among the group.

2. Sekolah Lapang Usaha Tani Kakao
Masing-masing SL terdiri dari 20-30 petani yang akan melakukan praktek langsung secara mandiri. Jumlah tanaman yang dibagikan sebanyak 500 batang usia produktif. Pembagian jumlah tanaman yang diteliti berdasarkan kepemilikan tanaman dengan jumlah yang disepakati dalam kelompok.
3. Sekolah Lapang Usaha Tani Padi
Masing-masing SL terdiri dari 20-30 petani dengan luas lahan 0,5 ha dan akan melakukan praktek di sawah milik petani sendiri dengan luasan 10 ha. Pembagian jumlah luasan yang diteliti berdasarkan rasio kepemilikan lahan dengan jumlah yang disepakati dalam kelompok.
4. Petani telah dilatih teknis pengamatan, analisa, dokumentasi hasil pengamatan; analisis data; perencanaan aksi; pelaksanaan aksi; dan evaluasi untuk melakukan aksi perbaikan (*corrective action*).
5. Tenaga Penyuluh pertanian (PPL) menjadi pemandu teknis pengamatan, yang melakukan analisa, dokumentasi hasil pengamatan; analisis data; perencanaan aksi; pelaksanaan aksi; dan evaluasi untuk melakukan aksi perbaikan (*corrective action*).
6. Disusunnya Rencana Tindak Lanjut Replikasi hasil riset terapan teknologi budidaya yang telah diuji bersama.
2. Farmer Field School (FFS) of Cocoa Farming
Each FFS consists of 20-30 farmers who will conduct direct practice independently. The number of distributed plants was 500 plants at productive age. The number of plants to be studied was distributed based on ownership of plants and agreement among the group.
3. Farmer Field School (FFS) of Rice Farming
Each FFS consists of 20-30 farmers with land area of 0.5 hectares and will conduct practice in the farmers' own fields with an area of 10 ha. The area of land to be studied based on the ratio of land ownership with the number agreed among the group.
4. Farmers have been trained on observation techniques, analysis, documentation of observation results; data analysis; action planning; implementation of the action; and evaluation to take corrective action.
5. Agricultural Extension Workers (PPL) became advisors for observation techniques, analysis, documentation of observation results; data analysis; action planning; implementation of the action; and evaluation to take corrective action.
6. Formulation of Replication Follow-up Plan on results of cultivation technology applied research that has been jointly tested.

• Bidang Sarana Umum dan Bantuan Bencana

Program/kegiatan pembangunan sarana umum dan bantuan bencana yang dilaksanakan pada tahun 2014, di antaranya: [G4-EC7]

1. Menyerahkan bantuan di bidang infrastruktur senilai sekitar IDR3 miliar kepada masyarakat melalui Pemkab Kolaka, Sulawesi Tenggara. Penyerahan bantuan dilaksanakan di Desa Lamedai, Kecamatan Tangketada Kabupaten Kolaka. Bantuan bidang infrastruktur meliputi saluran irigasi, bendung pembagi air, jembatan jalan usaha tani, normalisasi sungai Okooko, dan penguatan tebing Sungai Okooko dengan pemasangan bronjong. Bantuan infrastruktur merupakan usulan masyarakat setempat melalui musyawarah rencana pembangunan (Musrenbang) yang dimulai dari bawah, kemudian dievaluasi oleh komite percepatan yang beranggotakan Pemkab Kolaka, PT Vale, dan perwakilan masyarakat. Pemkab Kolaka sendiri menetapkan Desa Lamedai sebagai kawasan pengembangan tanaman padi dengan luasan yang direncanakan sekitar 1.500 hektar.
2. Mengirim tim ERG (*Emergency Respon Group*) untuk membantu evakuasi dan penanganan korban pasca banjir dan longsor Manado, Sulawesi Utara. Aksi kemanusiaan ini merupakan bentuk kepedulian PT Vale untuk meringankan beban korban banjir dan longsor Manado. Tim berangkat atas koordinasi dan permintaan dari Badan Nasional Penanggulangan Bencana (BNPB) dan Kementerian Energi dan Sumber Daya Mineral (ESDM). Tim Vale juga memberikan bantuan logistik dan medis berupa makanan bayi, susu, selimut, air mineral, obat dan vitamin.

• Public Facility and Disaster Relief Sector

Programs/activities of public facilities construction and disaster relief implemented in 2014 include: [G4-EC7]

1. Handover of infrastructure assistance worth about IDR3 billion to the community through Kolaka Regency Government, Southeast Sulawesi. The handover was conducted in Lamedai Village, Tangketada District, Kolaka Regency. The infrastructure assistance covered irrigation infrastructure, water divider dams, bridges of farm-to-market roads, Okooko river normalization, and strengthening of Okooko river cliff with gabion installation. The infrastructure assistance was proposed by community through bottom-up development plan forum (*Musrenbang*), and then was evaluated by acceleration committee consisting of Kolaka Regency Government, PT Vale, and community representatives. Kolaka Regency Government designated Lamedai village as a rice development area with a planned area of about 1,500 hectares.
2. Sending ERG (*Emergency Response Group*) team to assist the evacuation and treatment of post-flood and landslide victims in Manado, North Sulawesi. The humanitarian act was PT Vale's awareness to ease the burden of victims of Manado floods and landslides. The team was dispatched under the coordination and request of National Disaster Management Agency ('BNPB') and the Ministry of Energy and Mineral Resources. Vale team also provided assistance in logistics and medical in the form of baby food, milk, blankets, mineral water, medicines and vitamins.



“ Dengan selalu mengedepankan dialog, kami menyikapi setiap dinamika yang berkembang dimasyarakat. Solusi yang saling menguntungkan kian diupayakan sesuai usulan masyarakat setempat melalui musyawarah rencana pembangunan (Musrenbang).

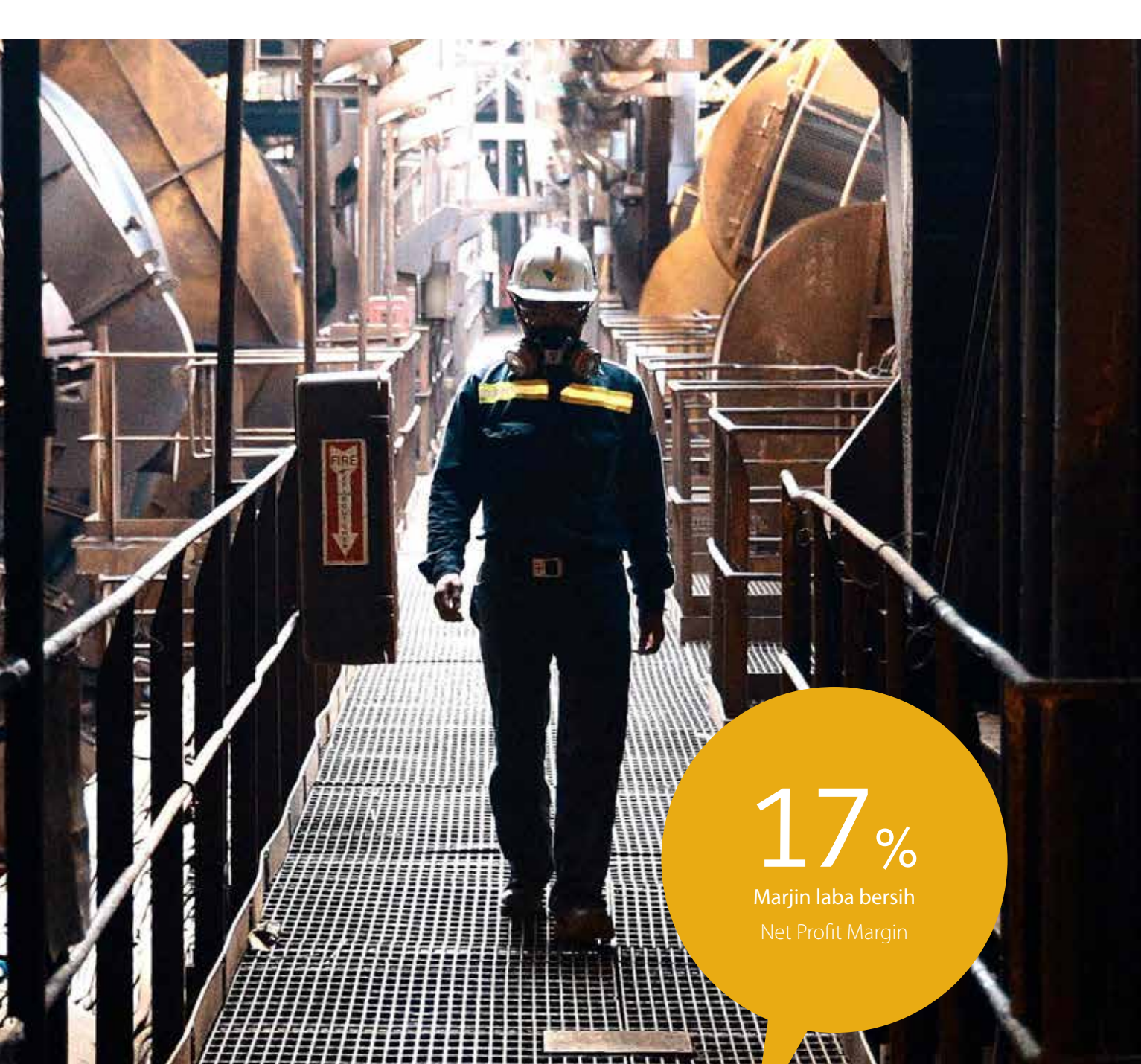
By promoting peaceful dialogue, We are responding to each of the developing dynamics in community. Mutually beneficial solution was made through community engagement in bottom up development plan forum (Musrenbang).

”



MENGELOLA MARGIN MENJAGA KESINAMBUNGAN

Managing Margin
Maintaining Continuity



17%

Marjin laba bersih
Net Profit Margin

Keberhasilan konversi bahan bakar bersulfur tinggi (HSFO) dengan batubara, ditambah kenaikan rata-rata harga jual nikel di pasar global, telah menjadikan PT Vale mencapai kinerja tahun 2014 yang lebih baik dibandingkan tahun 2013.

The success of high sulfur fuel oil (HSFO) conversion to coal, as well as average increase in nickel prices in the global market has led PT Vale to achieve better performance in 2014 than in 2013.

RANTAI PASOKAN DAN PEMASOK LOKAL

[G4-12]

Sepanjang tahun 2014 PT Vale melanjutkan Program Promote National Interest (PNI) yang telah dimulai sejak tahun 2012. Melalui program ini Perseroan melakukan penataan rantai pasokan serta bentuk pengadaan barang dan jasa.

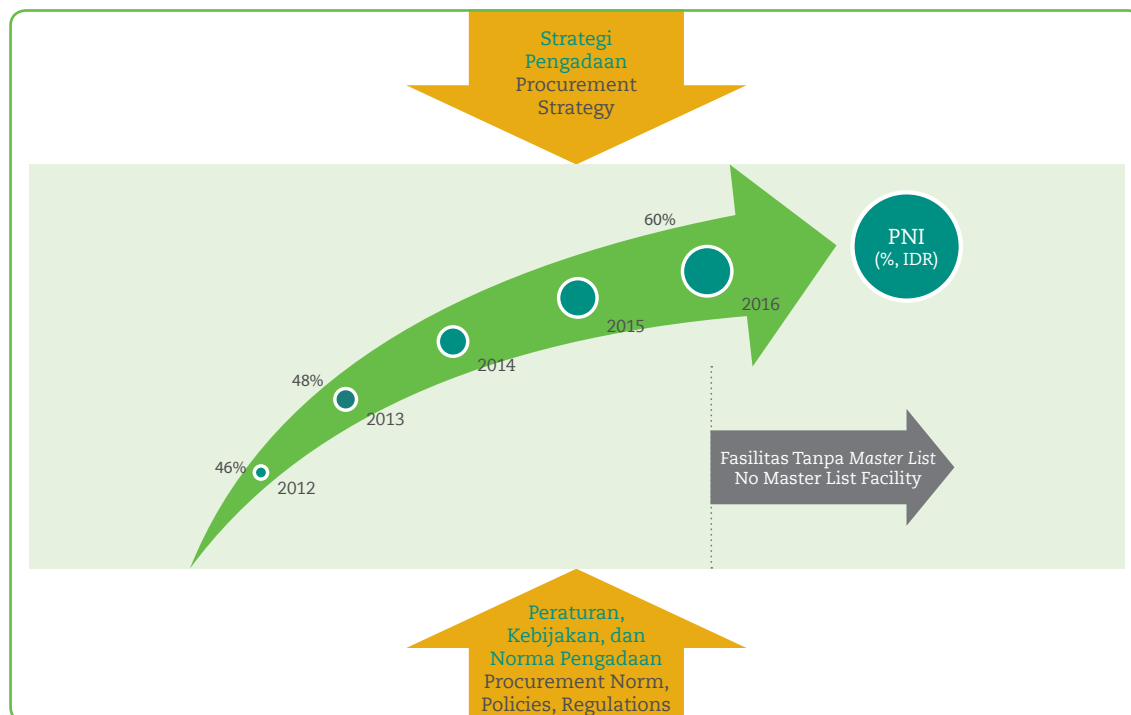
Program PNI merupakan persiapan strategi dan mitigasi segala risiko yang mungkin muncul setelah berakhirnya pemberlakuan fasilitas daftar induk pada akhir tahun 2015. Tujuan Program PNI adalah mengembangkan peta jalan sampai tahun 2015, untuk meminimalkan dampak dari peniadaan fasilitas daftar induk dan mengintegrasikannya dengan seluruh kebijakan strategi pengadaan.

SUPPLY CHAIN AND LOCAL SUPPLIERS [G4-12]

Throughout 2014, PT Vale continued the Promote National Interest (PNI) Program, which began in 2012. Through this program, the Company reorganized the supply chain and forms of goods and services procurement.

PNI program is the preparation of strategies and mitigation of all risks that may arise after the completion of the establishment of master list facility by the end of 2015. The purpose of PNI program is to develop a roadmap up to 2015, to minimize the impact of the abolition of the master list facility and integrate it with all policies on procurement strategies.

Peta Jalan PNI 2012 – 2016 Road Map PNI 2012 - 2016



Kami juga berkomitmen mengembangkan perusahaan-perusahaan lokal di area operasi, dengan menerapkan Inisiatif Bisnis Lokal atau Local Business Initiative (LBI) yang telah dimulai sejak tahun 2010.

We are committed to developing local companies in the area of our operations, by implementing Local Business Initiative (LBI) that was started in 2010.

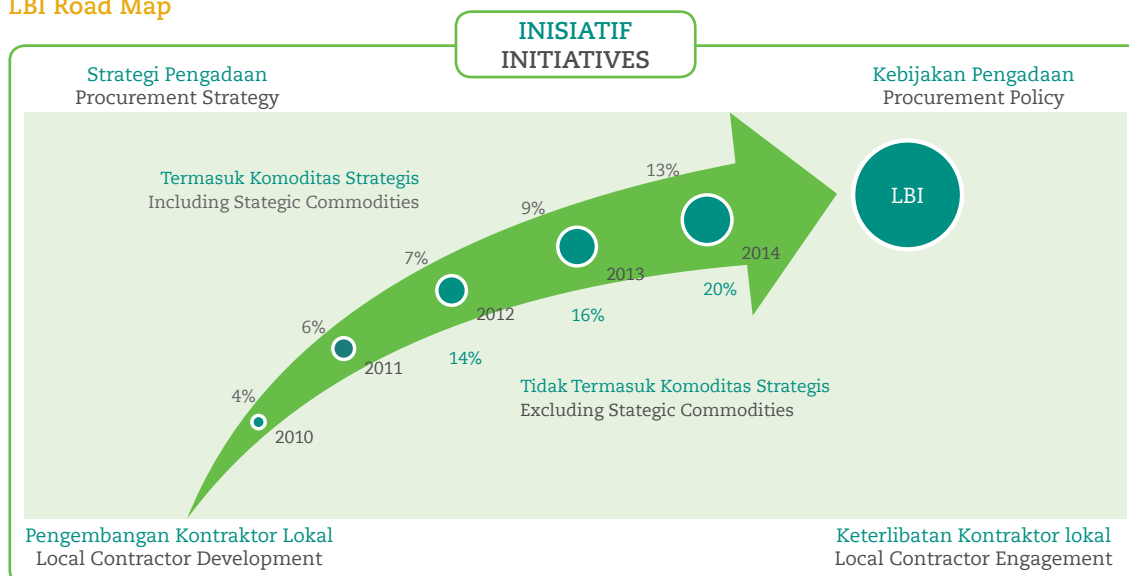
Sesuai peta jalan yang telah dibuat, PT Vale terus meningkatkan proporsi pelibatan perusahaan lokal dalam rantai pasokan Kami. Kami mendefinisikan pemasok lokal sebagai perusahaan yang didirikan dan/atau berdomisili di empat wilayah pemberdayaan, meliputi Kecamatan Nuha, Towuti, Wosuponda dan Malili, serta yang dimiliki perseorangan yang telah berdomisili di wilayah pemberdayaan selama sekurang-kurangnya 10 tahun.

According to the established road map, PT Vale continues to increase the proportion of engagement of local companies in our supply chain. We define local suppliers as a company established and/or domiciled in four areas of empowerment, covering Nuha, Towuti, Wosuponda and Malili districts, as well as individually-owned that have been domiciled in the empowerment areas for at least 10 years.

Program Pengembangan Pemasok Lokal Local Supplier Development Program

Program Pelatihan Training Programs	Jumlah Peserta Participants	Pelaksanaan Schedule
Training 5S 5S Training	42	Februari February
Refreshing pelaksanaan kontrak VHS Refreshing of VHS contract implementation	42	Maret March
Training pengisian KPI kontrak VHS Training on completing KPI of VHS contract	42	Agustus August

Peta Jalan Local Business Initiative (LBI) LBI Road Map



Proporsi Pelibatan Pemasok [G4-EC9]

Supplier Engagement Proportion

Jenis Pemasok Types Of Supplier	Jumlah Pemasok Number Of Suppliers	Nilai Kontrak (US\$) Contract Values
Lokal / Local	132	92,238,853.15
Nasional / National	221	254,733,511.20
Internasional / International	20	103,533,750.76

20.5%

Nilai kontrak pemasok lokal

Contract values of local
supplier

.....

Pelibatan perusahaan lokal sebagai pemasok memberikan manfaat lain yang bersifat tidak langsung bagi masyarakat setempat, yakni ketersediaan lapangan pekerjaan sehingga mereka bisa mendapatkan penghasilan untuk membiayai kebutuhan hidup. Hingga akhir periode pelaporan diperkirakan ada 3.755 orang tenaga kerja yang terserap oleh perusahaan-perusahaan pemasok. [G4-EC8]

The engagement of local companies as suppliers provides other indirect benefits to the local community, the availability of jobs so that they can earn money to pay for daily life. By the end of the reporting period, an estimated of 3,755 workers were employed by the suppliers. [G4-EC8]

Secara berkala, PT Vale juga melakukan pengawasan terhadap seluruh pemasok untuk memastikan kepatuhan pada seluruh regulasi ketenagakerjaan. Kami memberikan sanksi terhadap perusahaan pemasok yang tidak mematuhi regulasi ketenagakerjaan. [G4-LA14]

Periodically, PT Vale also supervises all suppliers (100%) to ensure that they comply with all labor regulations. We impose sanctions against supplier companies that fail to comply with labor regulations. [G4-LA14]



KARYAWAN DAN KETENAGAKERJAAN

Kami juga menyelenggarakan hubungan ketenagakerjaan dalam sebuah perjanjian kerja bersama (PKB), yang disusun bersama antara manajemen dengan serikat pekerja sebagai perwakilan karyawan. PKB yang berlaku melindungi segenap pekerja PT Vale, dan menjadi rujukan bersama bagi penyelesaian bermartabat dari setiap perselisihan terkait hubungan ketenagakerjaan. [G4-11]

Pada tahun 2014 Perseroan dan serikat pekerja telah menyepakati PKB ke-16. Selanjutnya PKB yang berlaku menjadi rujukan bersama bagi penyelesaian bermartabat dari setiap perselisihan terkait hubungan ketenagakerjaan. Selama tahun 2014, ada 85 keluhan-kesah yang termasuk sebagai perselisihan ketenagakerjaan dan 75 di antaranya atau 92% telah dapat diselesaikan dengan baik sesuai ketentuan di dalam PKB.

Sejalan dengan Budaya Kerja yang terus diterapkan, PT Vale senantiasa mendorong terciptanya iklim kinerja tinggi di antara karyawan. Produktivitas karyawan selama tahun 2014 mengalami peningkatan dibandingkan tahun 2013. Produktivitas karyawan dihitung berdasarkan metrik ton nikel diproduksi berbanding jumlah karyawan.

EMPLOYEES AND EMPLOYMENT

We also implement employment relations in a collective labor agreement (CLA), which is prepared jointly between management and workers union as representatives of employees. The existing CLA protects all employees of PT Vale, and become a common reference for dignified resolution of any dispute on employment relations. [G4-11]

In 2014 the Company and the labor unions have agreed on the 16th CLA. Furthermore, the applicable CLA becomes a common reference for dignified resolution of any dispute related to employment relations. During 2014, there were 85 grievances categorized as labor disputes and 75 of them or 92% have been properly resolved in accordance with provisions in the CLA.

In line with the Work Culture that continues to be applied, PT Vale always promotes the creation of high performance climate among employees. The employees' productivity during 2014 saw an increase compared to 2013. The employees' productivity is calculated based on metric tons of nickel production against the number of employees.

Produktivitas Karyawan (MT Ni/Pekerja)
Employee Productivity (MT Ni/Workforce)



Selama tahun 2014, PT Vale telah menerima 50 karyawan baru, melalui seleksi internal maupun penerimaan tenaga kerja eksternal. Mereka terdiri dari 28 staf dan 22 non-staf. Dengan demikian, jumlah pekerja hingga akhir periode pelaporan mencapai 3.122 orang. [G4-LA1, G4-10]

During 2014, PT Vale has hired 50 new employees selected through internal and external recruitment. They consisted of 28 staff and 22 non-staff. Thus, the number of employees until the end of the reporting period reached 3,122 people. [G4-LA1, G4-10]

Pekerja Baru Berdasarkan Jabatan [G4-LA1] New Employees Based On Job Level

Jabatan Job Level	2014	2013	2012
Manajemen Management	5	2	3
Staf Senior Senior Staff	14	8	6
Staf Staff	9	9	40
Bukan Staf Non-staff	22	195	29

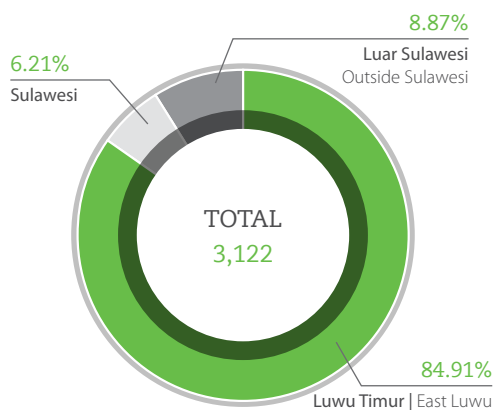
3,122

Jumlah Karyawan [G4-10]
Number of Employees

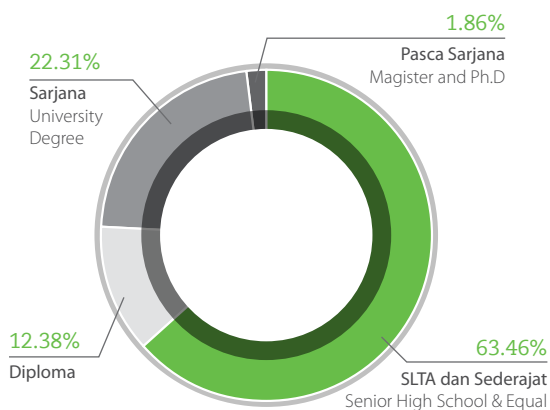
Jumlah dan Komposisi Karyawan [G4-10] Number of Employees and Composition

Status Kepegawaian Employment Status	2014			2013		
	Pria Male	Wanita Female	Jumlah Total	Pria Male	Wanita Female	Jumlah Total
Karyawan Tetap Permanent Employees	2,810	262	3,072	2,663	246	2,909
Karyawan Kontrak Non-permanent Employees	48	2	50	212	13	225
Jumlah Total	2,858	264	3,122	2,875	259	3,134

Komposisi Karyawan berdasarkan Penempatan Lokasi Kerja Employees Composition based on Working Location Placement



Komposisi Karyawan berdasarkan Jenjang Kependidikan Employees Composition based on Educational Degree





Secara berkesinambungan, kami menyelenggarakan pelatihan bagi para pekerja yang disesuaikan dengan kebutuhan serta rencana pengembangan Perseroan. Total rerata jam pelatihan per karyawan pada tahun 2014 adalah delapan jam, dengan besaran biaya pelatihan mencapai AS\$642.849. [G4-LA9]

We continually conduct training and certification programs for employees according to the needs and development plans of the Company. Total average hours of training per employee in 2014 were eight hours, with the amount of training costs amounted to US\$642,849. [G4-LA9]

Jam Pelatihan Karyawan [G4-LA9] **Employee Training Hours**

Jenis Pelatihan Type Of Training		Jumlah Peserta Number of Participants	Jam Pelatihan Training Hours	Rerata Average
Pelatihan Manajemen dan Profesional Management and Professional Training		289	6,264	22
Umum General	Pelatihan Teknologi Informasi Information Technology Training	168	2,728	16
	Pelatihan Bahasa Language Training	87	5,461	63
Pelatihan Teknis Technical Training		2,576	20,840	8
Pelatihan Keselamatan Kerja Safety Skills Training		5,134	30,734	6
Jumlah Total		8,254	66,027	8

PT Vale terus mengembangkan keandalan karyawan, untuk menunjang penerapan teknologi informasi (TI) pada setiap aspek kegiatan Perseroan. Saat ini kami memiliki tenaga-tenaga TI andal dan bersertifikat teknis, baik di tingkat dasar, menengah maupun lanjut. Mereka terdiri dari empat orang bersertifikasi SAP, 20 orang bersertifikasi IT Infrastructure and Library (ITIL Foundation V3), dua orang bersertifikasi PMP, dua orang bersertifikasi Cisco Certified Network Associate (CCNA Network) dan VMWare Professional, serta dua orang bersertifikasi ITIL Life Cycle tingkat menengah.

PT Vale continues to develop the employees' reliability to support the implementation of information technology (IT) in every aspect of the Company's activities. Currently We have reliable and technically certified IT personnel, at the elementary, intermediate and advanced levels. They consist of four SAP certified personnel, 20 IT Infrastructure Library (ITIL Foundation V3) certified personnel, two PMP certified personnel, two personnel with Cisco Certified Network Associate (CCNA Network) and VMWare Professional, as well as two ITIL Life Cycle intermediate level certified personnel.



PT Vale juga melaksanakan proses sertifikasi bagi 237 karyawan, sebagai tindak lanjut dari pembentukan lembaga sertifikasi profesi (LSP). Keberadaan LSP telah diakreditasi oleh Badan Nasional Sertifikasi Profesi (BNSP) dan dimaksudkan untuk mengembangkan kompetensi karyawan.

In 2014, PT Vale carried out the certification process for 237 employees, following the establishment of professional certification agency (LSP). The LSP has been accredited by the National Professional Certification Board (BNSP) and is aimed at developing the competencies of employees.

Dengan akreditasi yang dimiliki, maka LSP PT Vale telah mendaftarkan 923 unit standar kompetensi. Lebih lanjut, saat ini LSP juga berwenang untuk mensertifikasi 51 kelompok jabatan untuk 561 standar kompetensi dan memiliki 162 Asesor, 5 Master Asesor, 4 Lead Asesor dan 2 Asesor Lisensi yang seluruhnya telah memiliki sertifikat dari BNSP.

With accreditation that has been earned, the LSP of PT Vale has registered 923 units of competency standards. Currently LSP is also authorized to certify 51 job groups for 561 competency standards and has 162 assessors, 5 Master Assessors, 4 Lead Assessors and 2 License Assessors, who are all certified by BNSP.

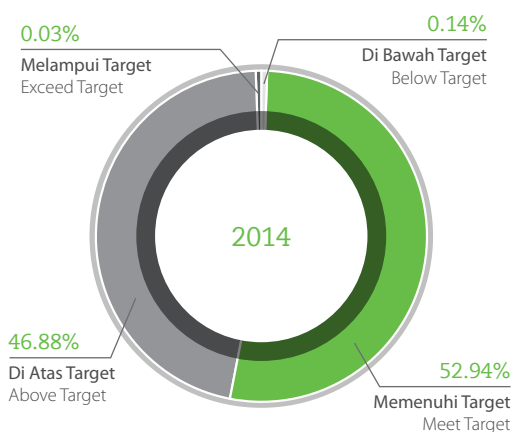
PT Vale memberikan kesempatan setara kepada setiap karyawan untuk berkarir di Perseroan. Kami juga telah memiliki mekanisme penilaian kinerja, berdasarkan pencapaian target oleh setiap karyawan, meliputi produksi, keselamatan kerja, biaya, manajemen serta inisiatif-inisiatif departemen.

PT Vale provides equal opportunities to every employee for a career in the Company. We have had a performance evaluation mechanism, based on the achievement of targets by each employee, including production, occupational safety, cost, management and departmental initiatives.

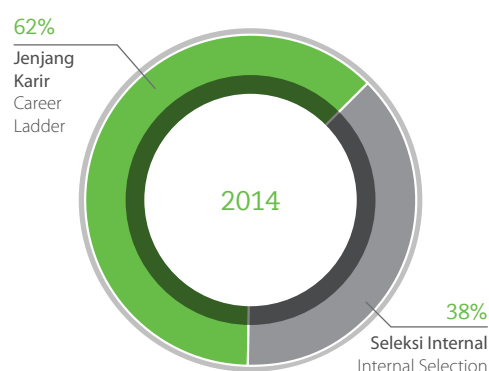
Dari penilaian periode 2013-2014, diketahui hanya 0,14% karyawan saja yang kinerjanya berada di bawah target. Sementara bagi mereka yang memperlihatkan kinerja terbaik telah mendapatkan promosi jabatan, dengan komposisi 62% di antaranya merupakan hasil seleksi internal berdasarkan penilaian kinerja. [G4-LA11]

The assessment conducted in the period of 2013-2014 found only 0.14% of employees who underperformed. Meanwhile 62% of the employees who exhibited the best performance have received a promotion, as the result of an internal selection based on performance assessment. [G4-LA11]

Penilaian Kinerja Karyawan Employee Performance Appraisals



Kenaikan Pangkat Promotion



KONTRIBUSI UNTUK PEMANGKU KEPENTINGAN

Pendapatan PT Vale selama tahun 2014 seluruhnya diperoleh dari penjualan nikel dalam matte. Tidak ada pendapatan atau bantuan khusus untuk PT Vale yang bersumber dari finansial Pemerintah. [G4-EC4]

Terjaganya kinerja Perseroan selama tahun 2014, menjadikan PT Vale tetap dapat memberikan kontribusi kepada para pemangku kepentingan, baik dalam bentuk pembayaran deviden, pajak, royalti maupun pembayaran-pembayaran lainnya.

CONTRIBUTION TO STAKEHOLDERS

PT Vale's revenue during 2014 was entirely gained from the sales of nickel in matte. There were no special income or assistance to PT Vale from the Government funds.

[G4-EC4]

The Company's maintained performance during 2014 enabled PT Vale to contribute to the stakeholders. They were in the form of dividend payments, taxes, royalties and other payments.

Nilai Ekonomi yang Dihasilkan dan Ditahan [G4-EC1] Economic Value Generated and Retained

	2014	2013	2012
NILAI EKONOMI LANGSUNG YANG DIHASILKAN (US\$ 000) DIRECT ECONOMIC VALUE GENERATED			
Penjualan Sales	1,038,995	922,093	967,891
Beban Lain-lain Other Expenses	-	-	-
Pendapatan Revenue	1,038,995	922,093	967,891
DISTRIBUSI NILAI EKONOMI (US\$ 000) ECONOMIC VALUE DISTRIBUTED			
Biaya Operasi Operating Expenses	(562,347)	(646,903)	(704,936)
Gaji Karyawan dan Manfaat Employee Wages and Benefits	(105,165)	(100,607)	(100,130)
Pembayaran Kepada Penyandang Dana Payment to Providers of Capital	(144,050)	(95,396)	(158,553)
Pembayaran Kepada Pemerintah Payment to Government	(95,336)	(90,540)	(176,389)
Investasi Untuk Komunitas Community Investment	(3,747)	(4,921)	(7,048)
Total Distribusi Nilai Ekonomi Total Economic Value Distributed	(908,846)	(938,367)	(1,147,056)
NILAI EKONOMI YANG DITAHAN (US\$ 000) ECONOMIC VALUE RETAINED			
Total Total	128,350	(16,274)	(179,165)

Kontribusi Terhadap Negara [G4-EC1]

Contribution to the State

	2014	2013	2012
KOMPONEN PENERIMAAN NEGARA BUKAN PAJAK/PNBP (US\$ 000)			
NON TAX REVENUE (PNBP) COMPONENTS			
Iuran Produksi Production Royalty	11,696.53	6,297.29	5,268.59
Iuran Tetap Kuasa Pertambangan Land Rent	324.93	285.77	285.77
PNBP Lainnya Other Non Tax Revenue	40.73	39.62	58.31
Jumlah Total	12,062.19	6,622.68	5,612.67
KOMPONEN PAJAK DAN RETRIBUSI (US\$ 000)			
TAX AND RETRIBUTION COMPONENT			
Pajak Pertambahan Nilai Value Added Tax	1,329.32	1,636.97	1,713.21
Pajak Bumi dan Bangunan Land and Building Tax	2,420.73	1,938.97	2,780.50
Pajak Penghasilan Karyawan Employee Income Tax	12,462.70	13,088.10	16,191.60
Pajak Penghasilan Badan Corporate Income Tax	40,391.43	38,423.62	121,080.15
Pajak dan Retribusi Daerah Tax and Regional Retribution	19,146.56	18,446.15	16,995.49
Pajak IP royalti, deviden, interest, vendor IP royalty, dividend, Interest, suppliers' tax	7,273.09	10,129.12	14,795.68
Bea Masuk Duty	250.03	254.78	22.40
Jumlah Total	83,273.86	83,917.70	170,776.13
JUMLAH PNBP + PAJAK & RETRIBUSI (US\$ 000)			
TOTAL PNBP + TAX			
Jumlah Total	95,336.05	90,540.38	176,388.81

“Pencapaian kinerja Perusahaan ikut disertai oleh prestasi dalam pertumbuhan ekonomi masyarakat, tanggung jawab lingkungan, dan nilai tambah bagi pemangku kepentingan.

Company's performance achievements will always be followed by accomplishments in community economic growth, environmental responsibility, and value added for stakeholders.

”



TATA KELOLA KEBERLANJUTAN

Sustainability Governance



TOP 50

Penghargaan untuk perusahaan terbuka dengan skor tata kelola tertinggi di Indonesia oleh IICD

Award for public listed company with highest score for governance in Indonesia by IICD

Komitmen kami terhadap penerapan tata kelola yang baik telah memberikan hasil positif kepada Perseroan dengan diterimanya berbagai penghargaan.

Our commitment to implementation of good governance has brought us positive results with numerous awards.

PT Vale Indonesia Tbk berkomitmen meningkatkan penerapan tata kelola perusahaan yang baik (*good corporate governance* atau GCG). Kami menerapkan prinsip-prinsip keterbukaan, integritas, kepercayaan, kewajaran dan kepatuhan, pada setiap kegiatan Perseroan.

PT Vale tunduk pada berbagai ketentuan yang berkaitan dengan tata kelola perusahaan, yakni Undang-Undang (UU) No.40 Tahun 2007 Tentang Perseroan Terbatas, UU No.8 Tahun 1995 Tentang Pasar Modal, UU No.4 Tahun 2009 Tentang Mineral dan Batubara serta peraturan perundang-undangan lainnya. Operasional Perseroan juga tunduk pada Kontrak Karya dengan Pemerintah Indonesia yang telah diamandemen pada bulan Oktober 2014. Sebagai perusahaan publik, kami juga harus mematuhi ketentuan Otoritas Jasa Keuangan (OJK) dan Bursa Efek Indonesia (BEI).

Perseroan mengadopsi berbagai standar maupun prinsip-prinsip tata kelola perusahaan, yakni: [G4-15]

1. ASEAN Corporate Governance Scorecard dari ASEAN Capital Market Forum, Bank Dunia, dan Prinsip-prinsip OECD;
2. Pedoman Tata Kelola Perusahaan yang Baik sebagaimana dirumuskan oleh Komite Nasional Kebijakan Governance (KNKG) tahun 2006.

Selain itu, sebagai anak perusahaan dari Vale Canada Limited, maka PT Vale juga harus mengadopsi berbagai aturan dan norma yang berlaku di Grup Vale Global. Beberapa diantaranya adalah Kebijakan Anti-Korupsi, Kode Etik dan Perilaku, Norma Pengadaan dan sistem *Whistleblower*. [G4-15]

Perseroan didukung pula oleh berbagai kebijakan internal yang menjadi pedoman dalam menerapkan prinsip-prinsip tata kelola perusahaan yang baik. Beberapa kebijakan internal tersebut, antara lain: Piagam Dewan Komisaris, Piagam Direksi, piagam-piagam komite pendukung Dewan Komisaris, Piagam Internal Audit, dan berbagai kebijakan serta prosedur lainnya.

PT Vale Indonesia Tbk is committed to improving the implementation of good corporate governance (GCG). We apply the principles of transparency, integrity, trust, fairness and compliance, in every activity of the Company.

PT Vale adheres to various laws on corporate governance, namely Law (UU) No. 40 of 2007 on Limited Liability Companies, Law No. 8 of 1995 on the Capital Market, Law No. 4 of 2009 on Mineral and Coal, and other regulations. The Company's operations also adhere to the Contract of Work with the Government of Indonesia that has been amended in October 2014. As a publicly listed company, We also have to comply with the provisions of the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX).

The Company has adopted various standards and principles of corporate governance, namely: [G4-15]

1. ASEAN Corporate Governance Scorecard of the ASEAN Capital Market Forum, the World Bank, and OECD Principles;
2. Good Corporate Governance Guidelines established by the National Committee on Governance (KNKG) in 2006.

In addition, as a subsidiary of Vale Canada Limited, PT Vale must adopt various rules and norms applied in Vale Global Group. Some of them are the Anti-Corruption Policy, Code of Ethics and Conduct, Procurement Norms and Whistleblower system. [G4-15]

The Company is also supported by various internal policies that serve as guidelines in applying the good corporate governance principles. Some of these internal policies, among others, the Board of Commissioners Charter, the Board of Directors Charter, Board of Commissioners' supporting committees charters, the Internal Audit Charter, as well as other policies and procedures.

Kesungguhan kami menerapkan tata kelola perusahaan yang baik, membuahkan penghargaan dari berbagai pihak. Di antaranya Indonesian Institute for Corporate Directorship (IICD) yang mengumumkan PT Vale Indonesia Tbk sebagai Top 50 Emiten dengan skor *Corporate Governance* (CG) tertinggi 2014. Penilaian IICD menggunakan acuan Asean Corporate Governance Scorecard dalam menilai praktik CG perusahaan di terbuka di Indonesia.

Our determination to apply good corporate governance earned awards from various parties. One of them was from the Indonesian Institute for Corporate Directorship (IICD) that declared PT Vale Indonesia Tbk., as one of the Top 50 Listed Companies with the highest score of Corporate Governance (CG) in 2014. The IICD used reference of ASEAN Corporate Governance Scorecard in assessing the corporate governance practices in publicly listed companies in Indonesia.



“Keberadaan kebijakan serta praktik tata kelola perusahaan dan operasional mendukung komitmen kami untuk melakukan hal yang benar.

The existence of policies and practices of corporate governance and operation shall support our commitment to do what is right.

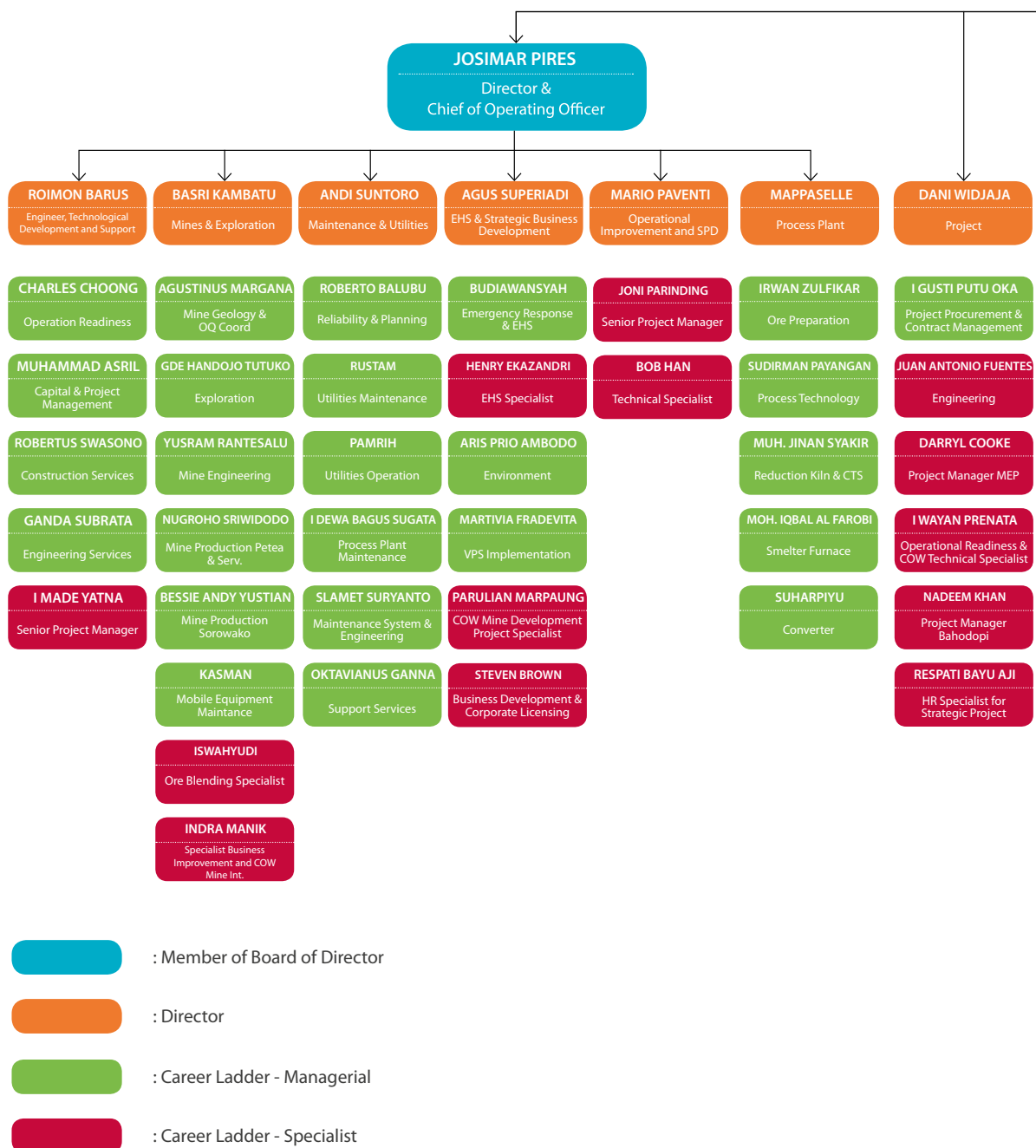
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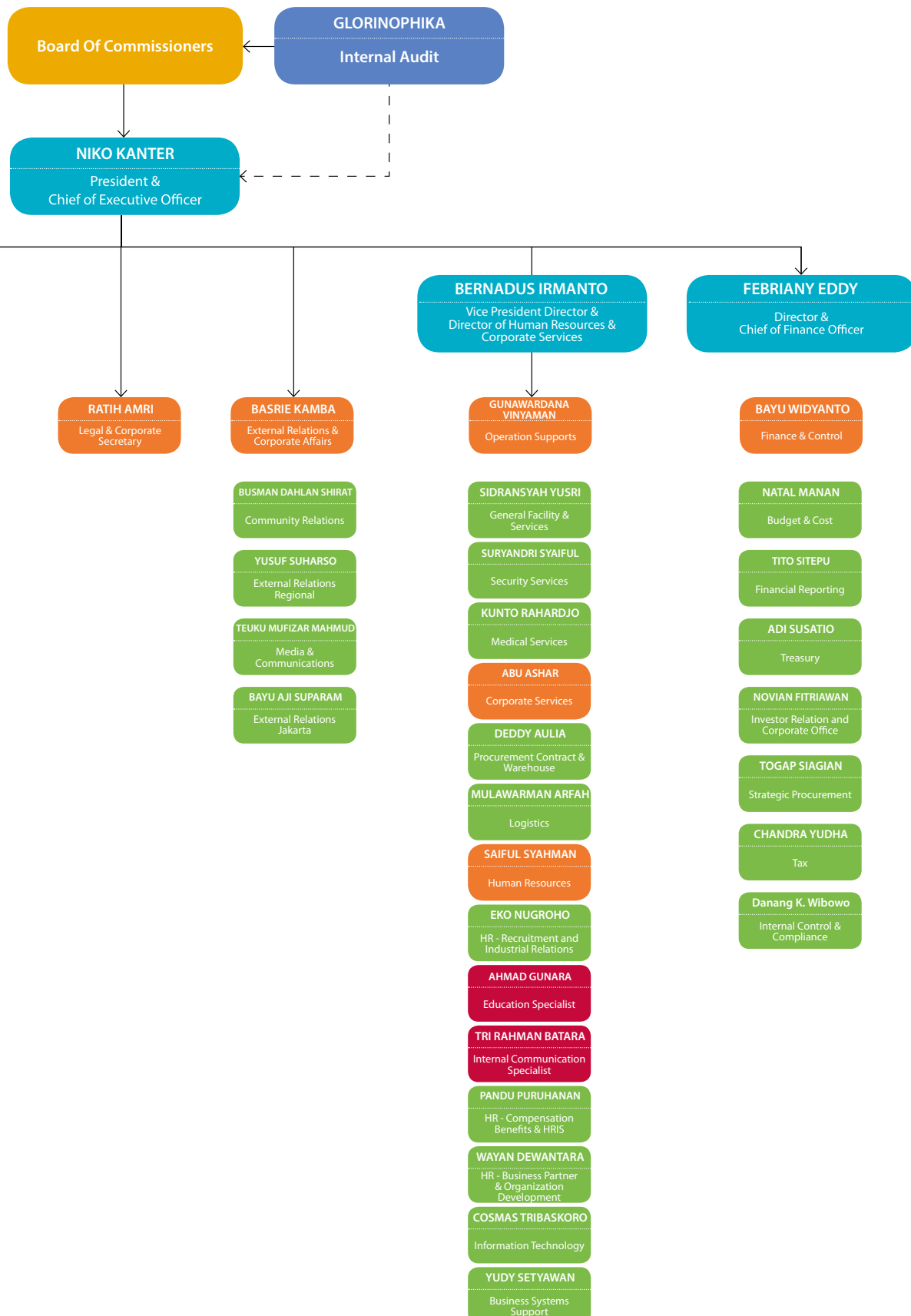
STRUKTUR TATA KELOLA

Sesuai Undang-Undang No.40 Tahun 2007 Tentang Perseroan Terbatas, struktur badan tata kelola Perseroan terdiri atas organ perusahaan: Rapat Umum Pemegang Saham (RUPS), Dewan Komisaris, dan Direksi. [G4-34]

GOVERNANCE STRUCTURE

According to Law No. 40 of 2007 on Limited Liability Company, the Company's governance body structure consists of corporate organs: the General Meeting of Shareholders (GMS), the Board of Commissioners and Board of Directors. [G4-34]





RAPAT UMUM PEMEGANG SAHAM

RUPS merupakan organ perusahaan tertinggi dalam struktur badan tata kelola Perseroan. RUPS terdiri RUPS Tahunan dan RUPS Luar Biasa. Penyelenggaraan RUPS juga menjadi mekanisme bagi pemegang saham untuk meminta penjelasan atau menyampaikan rekomendasi kepada Dewan Komisaris maupun Direksi. [G4-34, G4-49]

Selama tahun 2014, PT Vale telah mengadakan RUPS Tahunan pada bulan April dan RUPS Luar Biasa di bulan September.

RUPS TAHUNAN

RUPS Tahunan 2014 (RUPST 2014) dilaksanakan pada tanggal 1 April 2014, di Financial Hall Graha Niaga, Jalan Sudirman, Jakarta, Indonesia.

RUPST 2014 dihadiri para pemegang saham dengan saham sebanyak 8.520.183.986 lembar maupun perwakilannya. Mereka mewakili 85,75% dari total saham yang diterbitkan di Perseroan dengan hak suara yang sah, sehingga memenuhi kuorum yang disyaratkan dalam Anggaran Dasar Perseroan.

GENERAL MEETING OF SHAREHOLDERS

GMS is the highest corporate organ in the governance structure of the Company. GMS comprises Annual GMS and Extraordinary GMS. The GMS also serves as a mechanism for shareholders, to request for clarification or make recommendations to the Board of Commissioners and Board of Directors. [G4-34, G4-49]

During 2014, PT Vale has held the Annual General Meeting of Shareholders (AGMS) in April and an Extraordinary GMS (EGMS) in September.

ANNUAL GMS

The Annual General Meeting of Shareholders 2014 (AGMS 2014) was held on April 1, 2014, at the Financial Hall Graha Niaga, Jalan Sudirman, Jakarta, Indonesia.

AGMS 2014 was attended by shareholders with 8,520,183,986 shares or their representatives representing 85.75% of the total issued shares in the Company with valid voting rights thus met the quorum required by the Articles of Association of the Company.

Rincian kehadiran adalah sebagai berikut: Details of attendance are as follows:

Pemegang saham yang hadir Shareholders present	197
Jumlah saham yang hadir Total shares present	8,520,183,986
Persentase dari total saham Percentage of total shares	85.75%
Jumlah total saham Perseroan Total shares of the Company	9,936,338,720

RUPST 2014 dipimpin oleh Presiden Komisaris yang ditunjuk oleh penyelenggara rapat. Perseroan juga menunjuk Nanette Cahyanie Handari Adi Warsito selaku Notaris untuk mengelola dan mengesahkan pengambilan suara. Berdasarkan Anggaran Dasar Perseroan, masing-masing saham dapat memberikan satu hak suara.

The AGMS 2014 was presided by the President Commissioner appointed by the meeting organizer. The Company also appointed Nanette Cahyanie Handari Adi Warsito as Notary to manage and ratify voting, which was based on the Articles of Association and each share may give one voting right.

Keputusan-keputusan yang diambil dalam RUPST 2014, disampaikan secara lengkap dalam Laporan Tahunan 2014 PT Vale Indonesia Tbk, yang diterbitkan terpisah dari laporan ini.

The resolutions taken by the AGMS 2014 are presented completely in the Annual Report 2014 of PT Vale Indonesia Tbk, which is published separately from this report.



RUPS LUAR BIASA

PT Vale melaksanakan RUPS Luar Biasa (RUPSLB) pada tanggal 25 September 2014 di Financial Hall Board Room I, Graha Niaga Lantai 27, Jalan Sudirman, Jakarta, Indonesia. RUPSLB dipimpin oleh Wakil Presiden Komisaris.

Agenda RUPS Luar Biasa adalah mengukuhkan pengunduran diri Bapak Ricardo Rodrigues de Carvalho sebagai Presiden Komisaris Perseroan dan Bapak Akira Nozaki sebagai Komisaris Perseroan, dan menyetujui pengangkatan Ibu Jennifer Anne Maki sebagai Presiden Komisaris Perseroan serta Bapak Stuart Alan Harshaw dan Bapak Nobuhiro Matsumoto sebagai Komisaris Perseroan, efektif sejak penutupan Rapat sampai penutupan Rapat Umum Pemegang Saham Tahunan Perseroan tahun 2016.

EXTRAORDINARY GMS

PT Vale held the Extraordinary General Meeting of Shareholders (EGMS) on September 25, 2014 at Financial Hall Board Room I, Graha Niaga, 27th Floor, Jalan Sudirman, Jakarta, Indonesia. EGMS was presided by Vice President Commissioner.

Extraordinary GMS agenda was to affirm the resignation of Mr. Ricardo Rodrigues de Carvalho as President Commissioner and Mr. Akira Nozaki as Commissioner and approved the appointment of Mrs. Jennifer Anne Maki as President Commissioner and Mr. Stuart Alan Harshaw and Mr. Nobuhiro Matsumoto as Commissioner, effective since closing of the EGMS until the closing of the General Meeting of Shareholders of the Company in 2016.

RUPSLB 2014 dihadiri oleh para pemegang saham maupun perwakilannya. Mereka mewakili 84,25% dari jumlah saham yang diterbitkan di Perseroan dengan hak suara sah, sehingga memenuhi kuorum yang disyaratkan dalam Anggaran Dasar Perseroan.

The EGMS 2014 was attended by shareholders or their representatives representing 84.25% of the total issued shares in the Company with valid voting rights, which met the quorum required by the Articles of Association of the Company.

Rincian kehadiran adalah sebagai berikut:

Details of attendance are as follows:

Pemegang Saham Shareholders	174
Saham Shares	8,371,354,718
Persentase Percentage	84.25%
Jumlah Saham Total Shares	9,936,338,720

Keputusan-keputusan yang diambil dalam RUPS Luar Biasa 2014, disampaikan secara lengkap dalam Laporan Tahunan 2014 PT Vale Indonesia Tbk, yang diterbitkan terpisah dari laporan ini.

The resolutions taken in the EGMS 2014 are presented completely in the Annual Report 2014 of PT Vale Indonesia Tbk, which is published separately from this report.

DEWAN KOMISARIS

Dewan Komisaris PT Vale bertanggung jawab mengawasi Direksi beserta manajemen Perseroan dalam menjalankan bisnis Perseroan. Dewan Komisaris memperhatikan hal-hal yang terkait dengan keuangan, operasional serta lingkungan dan tanggung jawab sosial serta memberikan teladan dalam mempraktikkan tata kelola perusahaan yang handal.

BOARD OF COMMISSIONERS

PT Vale's Board of Commissioners is responsible for overseeing the Company's Board of Directors and management in running our business. Board of Commissioners takes in to account matters related to financial, operations, as well as environmental and social responsibility and sets an example in reliable corporate governance practices.

Dewan Komisaris Perseroan per 31 Desember 2014 terdiri dari 10 orang. Kami memastikan tidak ada anggota Dewan Komisaris yang merangkap jabatan sebagai Direksi, maupun pejabat eksekutif lainnya di Perseroan. [G4-39]

Board of Commissioners as of December 31, 2014 consisted of 10 people. We ensured there were no members of the Board of Commissioners who have concurrent membership in the Board of Directors, or became other executive officers of the Company. [G4-39]

Penunjukan anggota Dewan Komisaris ditentukan pemegang saham utama dan diusulkan dalam RUPS untuk mendapatkan persetujuan serta pengangkatan. Selama periode pelaporan telah terjadi perubahan Dewan Komisaris Perseroan, yakni: [G4-13, G4-34, G4-40]

The Board of Commissioners' members are elected and nominated by majority shareholders in the GMS for approval and appointment. During the reporting period there have been changes in the Board of Commissioners, namely: [G4-13, G4-34, G4-40]

RUPS Luar Biasa pada 25 September 2014 di Jakarta telah mengangkat dan menetapkan Jennifer Maki sebagai Presiden Komisaris. RUPS juga menyetujui pengangkatan Stuart Harshaw sebagai Komisaris Perseroan menggantikan Jennifer Maki, dan pengangkatan Nobuhiro Matsumoto sebagai Komisaris Perseroan menggantikan Akira Nozaki, efektif sejak penutupan Rapat sampai penutupan Rapat Umum Pemegang Saham Tahunan Perseroan tahun 2016.

Extraordinary GMS on September 25, 2014 in Jakarta has approved and appointed Jennifer Maki as President Commissioner. The GMS also approved the appointment of Stuart Harshaw as Commissioner replacing Jennifer Maki, and Nobuhiro Matsumoto appointment as Commissioner to replace Akira Nozaki, effective since the closing of the Meeting until the closing of Annual General Meeting of Shareholders 2016.

Dalam melaksanakan tugas dan tanggung jawabnya Dewan Komisaris dibantu oleh Komite Audit dan Komite Tata Kelola. Uraian dan penjelasan mengenai pelaksanaan tugas dan tanggung jawab Dewan Komisaris beserta Komite Audit dan Komite Tata Kelola disampaikan dalam Laporan Tahunan 2014, yang disusun terpisah dari pelaporan ini. [G4-34]

In carrying out its duties and responsibilities of the Board of Commissioners is assisted by the Audit Committee and Governance Committee. Description and explanation of the duties and responsibilities of the Board of Commissioners, Audit Committee and Governance Committee are presented in the Annual Report 2014, which is prepared separately from this report. [G4-34]

Dewan Komisaris Per 31 Desember 2014 [G4-13, G4-38]

Board of Commissioners as of December 2014, 31st

Nama Name	Jabatan Positions	Gender Gender	Kewarganegaraan Citizenship	Kelahiran Born
Jennifer Maki	Presiden Komisaris President Commissioner	Wanita Female	Canada	1970
Arief T Surowidjojo	Wakil Presiden Komisaris Vice President Commissioner Komisaris Independen Independent Commissioner	Pria Male	Indonesia	1953
Kevin Graham	Komisaris Commissioner	Pria Male	Canada	1978
Stuart Harshaw	Komisaris Commissioner	Pria Male	Canada	1967
Nobuhiro Matsumoto	Komisaris Commissioner	Pria Male	Jepang	1963
Mikinobu Ogata	Komisaris Commissioner	Pria Male	Jepang	1954
Peter Poppinga	Komisaris Commissioner	Pria Male	Brazil	1959
Mark Travers	Komisaris Commissioner	Pria Male	Canada	1966
Irwandy Arif	Komisaris Independen Independent Commissioner	Pria Male	Indonesia	1951
Idrus A Paturusi	Komisaris Independen Independent Commissioner	Pria Male	Indonesia	1950

Selama tahun 2014, PT Vale menyelenggarakan orientasi untuk setiap anggota Dewan Komisaris yang baru dilantik. Paket dokumen sebagai bahan orientasi disiapkan oleh Sekretaris Perseroan, dalam bentuk piranti lunak maupun cetak. Perseroan juga melaksanakan evaluasi kinerja Dewan Komisaris. Penilaian dilakukan berdasarkan beberapa aspek. [G4-43, G4-44]

Penjelasan lain terkait dengan Dewan Komisaris beserta komite-komite pendukung dan kinerja Dewan Komisaris beserta komite-komite pendukung selama tahun 2014, dapat disimak dalam Laporan Tahunan 2014 PT Vale Indonesia Tbk.

DIREKSI

Direksi PT Vale bertanggung jawab atas pengelolaan Perseroan secara efektif, efisien dan berhati-hati, dengan berfokus pada pertumbuhan yang berkelanjutan. Direksi bersama dengan tim manajemen bekerja keras untuk melaksanakan rencana strategis Perseroan, memberikan tingkat pengembalian yang atraktif kepada pemegang saham dan memastikan Perseroan memenuhi komitmennya untuk tanggung jawab sosial dan lingkungan.

Direksi PT Vale terdiri dari empat orang. Direksi didukung pejabat senior Perseroan setingkat Direktur yang bertugas membantu pelaksanaan pemenuhan tanggung jawab sosial dan lingkungan, serta membangun komunikasi dengan para pemangku kepentingan sesuai dengan kewenangan masing-masing. [G4-35, G4-36, G4-37]

Anggota Direksi diusulkan pemegang saham utama dan ditetapkan dalam RUPS. Masa jabatan anggota Direksi berlaku sejak penutupan RUPST saat mereka diangkat, dan berakhir pada penutupan dua RUPST berikutnya. Di akhir jabatan, anggota Direksi dapat diangkat kembali. [G4-40]

During 2014, PT Vale held orientation for the newly appointed members of Board of Commissioners. The document packages of orientation materials were prepared by Corporate Secretary, in software and print. The Company also conducted a evaluation of the Board of Commissioners' performance. There are several aspects to be considered in the assessment. [G4-43, G4-44]

Another explanation related to the Board of Commissioners and committees supporting and performance of the Board of Commissioners and supporting committees during 2014, can be found in the Annual Report 2014 of PT Vale Indonesia Tbk.

BOARD OF DIRECTORS

PT Vale's Board of Directors is responsible for effective, efficient and prudent management of the Company, with a focus on sustainable growth. Board of Directors together with the management team work hard to execute the Company's strategic plan, provide attractive returns to shareholders and ensure that the Company fulfill its commitment to social and environmental responsibility.

PT Vale's Board of Directors consists of 4 people. The Board of Directors is supported the Company's senior officers at director's rank who assist the implementation of compliance with social and environmental responsibility, as well as build communication with stakeholders according to their respective authorities. [G4-35, G4-36, G4-37]

Members of the Board of Directors are nominated by majority shareholders and approved in the GMS. Tenure of the Board of Directors is effective since the conclusion of the AGMS when they are appointed, and ends at the conclusion of the next two AGMS. By the end of the office term, BOD members may be reappointed. [G4-40]

Direksi Per-31 Desember 2014 [G4-38]
Board of Directors as of December 2014, 31st

Nama Name	Jabatan Positions	Gender Gender	Kewarganegaraan Citizenship	Kelahiran Born
Nico Kanter	Presiden Direktur President Director	Pria Male	Indonesia	1958
Bernardus Irmanto	Wakil Presiden Direktur Vice President Director	Pria Male	Indonesia	1975
Josimar Pires	Direktur Director	Pria Male	Brazil	1961
Febriany Eddy	Direktur Director	Wanita Female	Indonesia	1977



Setiap tahun, kinerja Perseroan dan Direksi dinilai oleh Dewan Komisaris. Penilaian dilakukan dengan memperhatikan pencapaian setiap target tersebut. Masing-masing anggota Direksi bertanggung jawab untuk memberi bukti-bukti pencapaian target kepada Dewan Komisaris. Kinerja masing-masing Direksi juga dinilai dengan metode informal pada rapat gabungan Dewan Komisaris dan Direksi. [G4-43, G4-44]

Every year, the Company and the Board of Directors performances are assessed by the Board of Commissioners. The assessment is performed by taking into account the achievement of each target. Each member of the Board of Directors is responsible to provide evidence of target achievement to the Board of Commissioners. The performance of each director is also assessed with informal method at the joint meeting of the Board of Commissioners and Board of Directors.

[G4-43, G4-44]

Penilaian Direksi dilakukan dengan metode perbandingan antara target dan pencapaian Perseroan secara aktual. Target Perseroan dibuat dalam beberapa kategori, termasuk:

- Keselamatan dan kesehatan kerja karyawan;
- Strategi Perseroan;
- Produksi;
- Manajemen biaya;
- CSR dan pengembangan berkelanjutan; dan
- Sumberdaya manusia.

Uraian dan penjelasan lain mengenai Direksi beserta departemen internal pendukung, dan kinerja Direksi beserta departemen internal pendukung, dapat disimak dalam Laporan Tahunan 2014 PT Vale Indonesia Tbk.

PENCEGAHAN BENTURAN KEPENTINGAN

Pelaksanaan tugas dan tanggung jawab Dewan Komisaris senantiasa mengacu pada Piagam Dewan Komisaris tanggal 22 Juli 2008, sedangkan untuk Direksi berpedoman pada Piagam Direksi tanggal 22 Juli 2008.

Piagam Dewan Komisaris maupun Piagam Direksi disusun berdasarkan Undang-Undang No.40 Tahun 2007 Tentang Perseroan Terbatas; Pedoman Umum Good Corporate Governance (GCG) Indonesia dari Komite Nasional Corporate Governance; ASEAN Corporate Governance Scorecard; dan OECD Principles of Corporate Governance. [G4-56]

Piagam Dewan Komisaris dan Piagam Direksi mengatur beberapa hal, di antaranya pedoman pencegahan benturan kepentingan. Melalui kepatuhan pada Piagam Dewan Komisaris dan Piagam Direksi, serta pemenuhan prinsip-prinsip tata kelola, kami memastikan selama tahun 2014 tidak terjadi transaksi yang patut diduga mengandung benturan kepentingan. [G4-41]

Assessment of Board of Directors is performed by comparing target and the Company's actual achievement. The Company's targets are made in some categories, including:

- Occupational safety and health of employees;
- The Company's strategy;
- Production;
- Cost management;
- CSR and sustainable development; and
- Human Resources.

Description and other explanation regarding the Board of Directors and its supporting internal departments, as well as their performance can be found in the Annual Report 2014 of PT Vale Indonesia Tbk.

CONFLICTS OF INTEREST AVOIDED

The Board of Commissioners' duties and responsibilities always refers to the Board of Commissioners' Charter dated July 22, 2008, while for the Board of Directors based on the Board of Directors' Charter dated July 22, 2008.

Board of Commissioners' Charter and Board of Directors' Charter are based on Law No. 40 of 2007 on Limited Liability Company; Guidelines of Indonesia Good Corporate Governance (GCG) of National Committee on Corporate Governance; ASEAN Corporate Governance Scorecard; and OECD Principles of Corporate Governance. [G4-56]

Board of Commissioners' Charter and Board of Directors' Charter stipulate several issues, including the conflict of interest prevention guidelines. Through compliance with Board of Commissioners' Charter and Board of Directors' Charter, as well as compliance with governance principles, during 2014 We ensure there were no transactions reasonably suspected to contain a conflict of interest. [G4-41]

REMUNERASI DEWAN KOMISARIS DAN DIREKSI

PT Vale tidak memberikan remunerasi kepada Dewan Komisaris, selain untuk Komisaris Independen. Penetapan remunerasi untuk Komisaris Independen dan Direksi menjadi kewenangan pemegang saham dalam RUPS dengan pertimbangan rekomendasi Komite Tata Kelola dan standar pasar. [G4-53]

BOC AND BOD REMUNERATION

PT Vale does not provide remuneration to the Board of Commissioners, aside from the Independent Commissioners. Remuneration determination for Independent Commissioners and the Board of Directors is the shareholders' authority in the GMS by taking into account the recommendation from Governance Committee and the market standard. [G4-53]

Remunerasi Komisaris Independen dan Direksi [G4-51, G4-52, G4-54] Remuneration of Independent Commissioners and Board of Directors

No	Jabatan Positions	Besaran Remunerasi (ribuan AS\$) Remuneration Amount (thousands US\$)	% Terhadap Biaya Karyawan % to Employee Costs
1	Komisaris Independen Independent Commissioner	338	0.32%
2	Direksi BOD	2,701	2.59%

ETIKA DAN INTEGRITAS [G4-57, G4-58]

Dalam melaksanakan kegiatan bisnisnya, PT Vale berpedoman pada nilai-nilai yang mencerminkan standar etika dan moral tinggi, melalui penerapan:

1. Kode Etik, wajib dipatuhi Dewan Komisaris beserta komite-komite di bawahnya, Direksi, karyawan maupun calon karyawan Perseroan.
2. Kode Etik dan Perjanjian Perjanjian Kerja Bersama, wajib dipatuhi karyawan Perseroan.
3. PT Vale Supplier Conduct Guidelines dan Ethical Practices Policy, merupakan panduan perilaku bagi pemasok/mitra bisnis dan wajib dipatuhi semua pemasok/mitra bisnis.

Kami juga menyediakan sarana bagi para pemangku kepentingan untuk menyampaikan informasi maupun laporan berkaitan dugaan pelanggaran etika maupun ketidakpatuhan hukum melalui *whistleblowing system* (WBS). WBS ini diperuntukkan bagi pejabat tata kelola Perseroan, karyawan maupun pemasok/mitra bisnis.

ETHICS AND INTEGRITY [G4-57, G4-58]

In carrying out its business activities, PT Vale is guided by values that reflect high ethical and moral standards, through the application of:

1. Code of Conduct, which must be complied by the Board of Commissioners and the committees under its supervision, Board of Directors, employees and employee candidates of the Company.
2. Code of Conduct and the Collective Labor Agreement, which must be complied by the employees of the Company.
3. PT Vale Supplier Conduct Guidelines and Ethical Practices Policy, which is the behavioral guidelines for suppliers/business partners and must be complied by all suppliers/business partners.

We also provide a means for stakeholders to submit information and reports related to alleged ethical violations and legal noncompliance or whistleblowing system (WBS). WBS is intended both for the Company's governance officers, employees and suppliers/business partners.

PT Vale menjamin kerahasiaan identitas pelapor. Laporan mengenai dugaan pelanggaran disampaikan melalui dua alamat email. Email pertama disediakan untuk laporan sehubungan dengan level *senior general manager* ke bawah, sedangkan email kedua disediakan untuk laporan sehubungan dengan Direksi atau audit internal. Pada tahun 2014 tidak ada pelaporan melalui sistem *whistleblower*.

PENGELOLAAN RISIKO [G4-45, G4-46, G4-47]

PT Vale mengelola risiko-risiko strategis melalui *Framework for Integrated Risk Management (FIRM)* yang disusun sesuai standar ISO 31000. Penerapan FIRM melibatkan kerjasama semua pihak dalam manajemen Perseroan termasuk Direksi, yang dilaksanakan melalui *workshop* tahunan *Enterprise Risk Assessment (ERA)*.

PT Vale ensure the confidentiality of the identity of the complainant. The report on the alleged violation is delivered through two email addresses. The first email is provided to report with respect to senior-level general manager down, while the second email is provided to report with respect to the Board of Directors or the internal audit. In 2014, there was no report submitted through whistleblowing system.

RISK MANAGEMENT [G4-45, G4-46, G4-47]

PT Vale manages strategic risks through the Framework for Integrated Risk Management (FIRM), which is formulated in accordance with ISO 31000. The FIRM application involves the cooperation of all parties in the Company's management, including the Board of Directors, which is implemented through annual workshop on Enterprise Risk Assessment (ERA).



Setiap *risk event* yang berada di ambang batas tertentu dievaluasi menggunakan perangkat utama FIRM, yakni *Bowtie Analysis*. Melalui perangkat tersebut, Perseroan melakukan analisis guna memahami penyebab, kemungkinan kejadian risiko, dampak risiko, serta faktor-faktor pengendalinya untuk mencegah dan mitigasi risiko.

Each risk event that is at a particular threshold is evaluated by FIRM main tool, the Bowtie Analysis. Through this tool, the Company conducted an analysis in order to understand the causes, the possibility of risk events, the impact of risk, as well as the controlling factors for prevention and mitigation of the risk.

Dari proses *Bowtie Analysis* diperoleh nilai risiko residual, yang merupakan indikator signifikansi suatu *risk event*. Berdasarkan nilai risiko residual, ditetapkan risiko-risiko utama yang dihadapi PT Vale, baik terkait aspek ekonomi, lingkungan maupun sosial.

The Bowtie Analysis process identifies the residual risk value, which is an indicator of risk event significance. Based on the residual risk value, key risks faced by PT Vale are defined, either related to the economic, environmental or social aspect.

Uraian lengkap tentang risiko-risiko tersebut disampaikan dalam Laporan Tahunan 2014 PT Vale Indonesia Tbk.

A full description of these risks is presented in the 2014 Annual Report of PT Vale Indonesia Tbk.

EVALUASI TATA KELOLA BERKELANJUTAN

[G4-49, G4-50]

PT Vale terbuka dalam menjalin komunikasi dengan pihak-pihak eksternal yang ingin mendapatkan informasi pelaksanaan dan penerapan tata kelola perusahaan. Salah satunya adalah komunikasi dengan Indonesian Institute for Corporate Directorship (IICD), yang melakukan penilaian praktik-praktik corporate governance perusahaan terbuka di Indonesia.

SUSTAINABLE GOVERNANCE EVALUATION

[G4-49, G4-50]

PT Vale openly establishes communication with external parties who wish to obtain information on the implementation and application of corporate governance. One of them is the Indonesian Institute for Corporate Directorship (IICD), which performs corporate governance practices assessment on public companies in Indonesia.

“ Kami telah memiliki standar dan sistem manajemen risiko, serta proses dan sumber daya manajemen risiko yang memungkinkan pencegahan dan mitigasi risiko secara proaktif dan sistematis.

We have a risk management system and standards, as well as multiple risk management processes and resources to support a proactive and systematic approach to risk prevention and mitigation.

PT Vale secara berkesinambungan meningkatkan kegiatan yang dilaksanakan dengan norma maupun standar yang berlaku internasional. Dalam hal pelaporan pemenuhan tanggung jawab sosial dan lingkungan, Perseroan telah menerbitkan Laporan Keberlanjutan dan sejak tahun 2013 yang disusun sesuai *Sustainability Reporting Guidelines* (SRG) G4 dari *Global Reporting Initiatives* (GRI). [G4-42]

PT Vale continually improves the activities carried out according to international norms and standards. In terms of reporting on compliance with social and environmental responsibility, the Company publishes sustainability report, which since 2013 has been prepared with reference to *Sustainability Reporting Guidelines* (SRG) G4 of the *Global Reporting Initiatives* (GRI). [G4-42]

Perseroan mengadakan General Induction Program (GIP) atau Program Pengenalan bagi anggota Direksi yang baru diangkat. Selama tahun 2014 PT Vale juga menyertakan anggota Direksi dalam berbagai program untuk mengembangkan dan meningkatkan kapasitas profesional mereka, sekaligus untuk meningkatkan pemahaman pada prinsip-prinsip keberlanjutan yakni: [G4-43]

The Company held a General Induction Program (GIP) for newly appointed members of the Board of Directors. During 2014 PT Vale also included members of the Board of Directors in various programs to develop and enhance their professional capacity, namely: [G4-43]

1. Konferensi mengenai base metals;
2. Konferensi mengenai pertambangan dan komoditas;
3. Konferensi dan seminar keuangan, seperti treasury dan perbankan;
4. Konferensi internasional mengenai sumber daya alam;
5. Kuliah umum dan certified coach;
6. Executive MBA Program.

1. Conference on base metals;
2. Conference on mining and commodities;
3. Conferences and seminars on finance, such as treasury and banking;
4. International conference on natural resources;
5. Public lecture and certified coach;
6. Executive MBA Program.

Keanggotaan Asosiasi [G4-16] Association Membership

Nama Asosiasi
Name Of Association

Indonesian Mining Association (IMA)

ASEAN Federation of Mining (AFMA)

Pendekatan pada Pemangku Kepentingan [G4-22, G4-24, G4-26, G4-27]

Stakeholder Approaches

PEMANGKU KEPENTINGAN STAKEHOLDERS	PENDEKATAN APPROACHES
Pemerintah Government	<p>Konsultasi, meliputi:</p> <ol style="list-style-type: none"> Peningkatan kinerja hubungan komunitas PT Vale; Pembahasan kembali beberapa komitmen INCO/PT Vale pada masa lalu; Peningkatan transparansi dan akuntabilitas operasi PT Vale; Pengembangan mekanisme penerapan program pemberdayaan masyarakat; Pengembangan kualitas hubungan dengan pemangku kepentingan; Pemanfaatan area konsesi PT Vale secara ilegal; Diskusi tentang rencana divestasi dan pengembangan izin PLTA. <p>Consultation regarding several matters:</p> <ol style="list-style-type: none"> Improving the performance of Vale Community relations; Settlement of several commitments of INCO/PT Vale in the past; Increasing the transparency and accountability of Vale in its operation; Improving the mechanisms in implementing the comdev program; Improving the quality of the relationships with stakeholders; Illegal use of the Vale concession area; Discussions about the planned divestment and extension of the PLTA permit. <p>Pelibatan dan kerjasama program pada beberapa hal:</p> <ol style="list-style-type: none"> Penerapan program CSR dan kolaborasi dengan aparat satuan kerja pemerintahan daerah (SKPD). Fasilitasi dan mediasi pembahasan beberapa masalah. <p>Engagement and joint program in several matters:</p> <ol style="list-style-type: none"> Implementation of the CSR program and the collaboration with the related regional apparatus work unit (SKPD); Facilitation and mediation in settling some of the existing problems.
Komunitas Community	<p>Konsultasi, meliputi:</p> <ol style="list-style-type: none"> Peningkatan kinerja hubungan komunitas PT Vale; Pembahasan kembali beberapa komitmen INCO/PT Vale pada masa lalu; Peningkatan transparansi dan akuntabilitas operasi PT Vale; Pengembangan mekanisme penerapan program pemberdayaan masyarakat; Pengembangan kualitas hubungan dengan pemangku kepentingan. <p>Consultation regarding several matters:</p> <ol style="list-style-type: none"> Improving the performance of Vale Community relations; Settlement of several commitments of INCO/PT Vale in the past; Increasing the transparency and accountability of Vale in its operation; Improving the mechanisms in implementing the comdev program; Improving the quality of the relationships with stakeholders. <p>Pelibatan dan kerjasama, melalui:</p> <ol style="list-style-type: none"> Diskusi untuk mengembangkan mekanisme dalam penerapan program pengembangan masyarakat. Pengembangan prosedur perekrutan tenaga kerja dan pelibatan kontraktor lokal. <p>Engagement through:</p> <ol style="list-style-type: none"> Discussions to improve the mechanisms in implementing the comdev program; Improving the procedure of recruiting manpower and involving local contractors.

PEMANGKU KEPENTINGAN STAKEHOLDERS	PENDEKATAN APPROACHES
Bisnis dan Profesional Businesses and Professionals	<p>Pelibatan melalui:</p> <ol style="list-style-type: none"> 1. Diskusi untuk mengembangkan mekanisme peningkatan transparansi hubungan antara kontraktor lokal dan pemanfaatan pekerja lokal. 2. Mediasi dan fasilitasi pembahasan komitmen masa lalu INCO/PT Vale. <p>Engagement through:</p> <ol style="list-style-type: none"> 1. Discussion to improve the mechanism of increasing the transparency of relationship between the local contractors and the use of local manpower; 2. Mediation and facilitation to settle past commitments of INCO/PT Vale. <p>Penguatan terutama untuk meningkatkan kapasitas kontraktor lokal/pelaku bisnis, sehingga mereka dapat berkontribusi dalam pengembangan ekonomi lokal dan usaha mikro, kecil dan menengah (UMKM).</p> <p>Empowerment especially to increase the capacity of the local contractors/business people, so that they can contribute to the development of the local economy and micro, small and middle scale business (UMKM)</p>
	<p>Konsultasi untuk meningkatkan transparansi dan akuntabilitas operasi dan dampak dari kegiatan operasi PT Vale.</p> <p>Consultation with regard to increasing the transparency and accountability of operations and regarding the impact of Vale operations.</p> <p>Konsultasi untuk pelestarian aspek sosial dan budaya Luwu Timur dan Pasitabe, dengan penekanan pada strategi untuk membangun hubungan lebih baik dengan pemangku kepentingan.</p> <p>Consultation for preservation of the social and cultural aspects of East Luwu and Pasitabe, consultation regarding the strategy for building better relationships with the stakeholders.</p> <p>Pelibatan melalui cara-cara:</p> <ol style="list-style-type: none"> 1. Diskusi strategi aspek pelestarian budaya Luwu dan Pasitabe; 2. Diskusi strategi pengelolaan program pengembangan masyarakat; 3. Verifikasi pembahasan komitmen masa lalu INCO/PT Vale; 4. Pembahasan isu pencemaran air dan udara. <p>Engagement through several ways:</p> <ol style="list-style-type: none"> 1. Discussions regarding the strategic aspects in preserving the culture of Luwu and Pasitabe; 2. Discussion on strategic management of the comdev program; 3. Verifying the settlement of past commitments of INCO/PT Vale; 4. Settling the issue of air and water contamination. <p>Penguatan, terutama untuk mendukung pelestarian aspek-aspek sosial kebudayaan komunitas lokal.</p> <p>Empowerment, especially to support preservation of the social cultural aspects of the local community.</p>
Akademisi dan Pengamat Academics and Observers	

PEMANGKU KEPENTINGAN STAKEHOLDERS	PENDEKATAN APPROACHES
Media Massa Mass media	<p>Penyediaan informasi, dengan penekanan pada beberapa isu strategi yang dihadapi PT Vale, pembaharuan informasi dari Perseroan, penyampaian keterangan pers pada setiap situasi kritis.</p> <p>Providing information, with respect to several strategic issues faced by PT Vale, providing updates and official information from the company, issuing a press release every time there is a critical situation.</p> <p>Pelibatan dan penguatan, untuk mendukung:</p> <ol style="list-style-type: none"> 1. Reportase/liputan program pengembangan masyarakat yang diinisiasi pelaksanaannya oleh PT Vale, dan pengaruhnya pada kehidupan komunitas; 2. Menyertakan dalam pelaksanaan kegiatan kebudayaan yang dilakukan PT Vale dan para pemangku kepentingan; 3. Menyelenggarakan pertemuan dan diskusi secara berkala untuk memperoleh masukan mengenai kinerja PT Vale secara menyeluruh. <p>Engagement and empowerment, to support:</p> <ol style="list-style-type: none"> 1. Reporting/covering the comdev program initiatives conducted by Vale and their impact on the community life; 2. Involvement in implementing the cultural events proposed by Vale and the stakeholders; 3. Holding meetings and discussions on a regular basis in order to get input regarding the performance of Vale in general.
Pemimpin Komunitas Community Leaders	<p>Konsultasi pada hal-hal:</p> <ol style="list-style-type: none"> a. Mengembangkan kinerja pengembangan hubungan komunitas Vale; b. Pembahasan beberapa komitmen INCO/PT Vale masa lalu; c. Meningkatkan transparansi dan akuntabilitas operasi PT Vale; d. Mengembangkan mekanisme untuk penerapan program pengembangan masyarakat; e. Mengembangkan kualitas hubungan dengan pemangku kepentingan. <p>Consultation on the following:</p> <ol style="list-style-type: none"> a. Improving the performance of Vale community relationship; b. Settling several commitments of INCO/PT Vale in the past; c. Increasing the transparency and accountability of Vale in its operation; d. Improving the mechanisms for implementing the comdev program; e. Improving the quality of relationships with the stakeholders. <p>Pelibatan dan penguatan, pada hal-hal:</p> <ol style="list-style-type: none"> 1. Penerapan program pengembangan masyarakat, terutama informasi terkait perkembangan, mekanisme, hasil pemantauan dan evaluasi; 2. Melibatkan secara aktif pada penyelenggaraan kegiatan kebudayaan di Luwu Timur dan Sorowako. <p>Engagement and Empowerment for the following:</p> <ol style="list-style-type: none"> 1. Implementation of the comdev program, especially information on development, mechanisms, result of monitoring and evaluation; 2. Active involvement in holding the cultural events in East Luwu and Sorowako.