

# Vale's Unsustainable Approach to Canadian Mining

A Report by:



# Vale Rejects Clear Path to Settlement

Steelworkers make unprecedented attempts to settle,  
yet Vale opts to prolong the pain and upheaval it is  
inflicting on Canada and our community

## Dear Greater Sudburians:

For eight months, more than 3,000 families in our community have endured the strike against Vale Inco. Thousands of other families also are affected by Vale's aggressive agenda, the likes of which we've never before seen in our community, or in Canada.

After refusing to negotiate since provoking the strike last summer, Vale recently accepted the United Steelworkers' proposal for exploratory discussions with a professional mediator.

During 11 days of mediation, the Steelworkers offered numerous, new proposals and made extraordinary efforts to find common ground on key issues.

We can tell you unequivocally that Vale did not reciprocate. Vale offered a list of minor changes, but mostly it stuck to rigid demands that would hurt workers, cause job losses throughout our local economy and dramatically impact our community's future.

Unlike Canadian-managed Xstrata, which bargained a fair agreement with Mine Mill, Vale simply wants to impose conditions on our workers that are very foreign to our country.

During mediation, the Steelworkers' efforts to reach a settlement included an unprecedented proposal to Vale – refer all outstanding issues to binding arbitration. We also offered to immediately end the strike and return to work while the arbitration process unfolded.

Binding arbitration is not foreign to Vale. In its home country of Brazil, labour disputes often are resolved this way. Yet here in Canada, Vale coldly rejects binding arbitration as a clear path to a fair settlement and an immediate end to the strike.

By its behaviour, Vale is prolonging this dispute. After making billions of dollars in Sudbury, Vale still chooses to inflict pain and upheaval on our community.

Please take a few minutes to read the attached report, which presents a clear analysis of Vale's agenda. We believe these facts will reaffirm your concerns and ours that Vale has little regard for our community, our citizens and our future.

Vale says its actions are about sustainability, but the enclosed facts show this is about Vale imposing its will, to the detriment of healthy local communities.

We wish to thank you for your support and generosity over the last eight months, without which we could not continue to fight Vale's attacks on our families and our community as a whole. This truly is a struggle that affects us all.




John Fera  
President, 6500



Wayne Fraser  
District Director



Ken Neumann  
National Director



Leo W. Gerard  
International President

# Executive Summary

Vale, a highly-profitable Brazilian multi-national, is demanding, basically, that Canadian workers and communities suffer for its mistake. It paid too much for Inco, buying the company when nickel prices were rising to extraordinary heights. Like speculators during the housing bubble, Vale failed to account for a time when prices would decline.

Nickel prices fell as housing values did. Vale is attempting to exploit this dip from historic high nickel prices. It shuttered Canadian operations for two months last year in violation of its Investment Canada agreement, then demanded harsh concessions from the union. Vale wants Canadians to believe that its problem is labour costs, not lower-than-anticipated nickel prices combined with higher-than-it-should-have-paid price for Inco. Vale refused the union's offer to continue work under the old labour contract, then conditioned bargaining on workers first accepting concessions.

Vale wants to manipulate a temporary economic situation to impose its philosophy that corporations bear no duty to meaningfully share gains with or accept long-term responsibilities to workers or communities.

When Vale came to Canada, it made pledges to meet terms of the Investment Canada Act, which requires purchases by foreign corporations to benefit Canadians. Vale announced some of its promises, including not laying off workers for three years. It broke that pledge when it shut down operations in 2009. In addition, Vale has violated the intent of the act by refusing to bargain in good faith, provoking a strike and cutting ties with many local mining service companies. Vale's behaviour benefits only its bottom line, not Canada.

Vale's concessionary demands of its Canadian workforce illustrate its intent. **If workers gave Vale everything it has stipulated and nickel prices remain in the current range of \$9, the Brazilian multi-national's cost of extracting nickel would likely decline by no more than five cents on a pound. That five cents is negligible for the multi-billion-dollar corporation. For workers and their communities, the loss of income would be devastating. Each nickel worker's wages and bonuses support up to six other jobs in the community.**

The nickel bonus provides workers with discretionary income. Virtually all of it is spent locally. Its effect is to provide Canadians with a share of profits derived from their national resources that the Brazilian multi-national extracts. Vale's attempt to quash the bonus reveals its belief that neither workers nor Canadians should share in the benefits of Canadian national resources.

Similarly, Vale's demand that new workers be denied access to the traditional defined benefit pension plan is a symbol of the multi-national's view that it has the right to profit from Canada without benefiting Canada. Companies that contribute to defined benefit pension plans acknowledge their responsibility to provide retirement security to Canadian workers. Vale seeks to shirk that responsibility, benefitting itself and placing at risk workers and their communities.

This report documents the United Steelworkers' contention that Vale's greedy behaviour and demands have injured Canada. If Vale fails to rectify that, Canada and Ontario have obligations and levers that could be utilised, and Canada must hold the Brazilian multi-national accountable to the spirit and letter of the Investment Canada Act.

# Vale must benefit Canada, not solely its corporate bottom line

**W**hen Inco owned nickel mines and smelters in Ontario, it earned good profits and, in turn, compensated workers with fair wages, benefits and nickel bonuses. Sustaining that balance should be simple because nothing has changed at the mines other than nickel prices and the corporate name. Nickel is selling at rates that are higher – \$9.17 a pound at the end of February, 2010 – than during much of the time Inco operated at a profit. **So the problem, clearly, is the new owner: Vale, the Brazilian multi-national whose name now looms over the mines.**

## Nickel mining has always benefited Canadian communities

**T**he people of Sudbury have mined nickel and other precious metals for Inco and its predecessor since the beginning of the last century. While the relationship between the workers and Inco had its ups and downs, the company provided secure jobs with good pay, pensions and bonuses and met its obligations to serve local mining and smelting communities and Canada as a whole. The region's significant ore reserves promised secure work and thriving communities well into the future.

In the second half of 2006, a Brazilian company called Companhia Vale de Rio Doce (CVRD), now known as Vale, bought Inco for \$18.9 billion in U.S. dollars. This occurred after a protracted battle with the Inco Ltd. board and after Vale defeated other bidders for Inco. No firm or financier would invest this much money unless analyses

The issue central to the dispute between Vale and its Canadian workers is expectations. Vale anticipates increasing profits by less than five cents on a pound of nickel by slashing the benefits and compensation of Canadian workers. **Canadians, by contrast, contend that a foreign corporation profiting from Canadian national resources bears a special responsibility to ensure its operations benefit Canada.** That includes compensating workers with wages and benefits that are in line with those paid by other Canadian nickel mining companies and maintaining the nickel bonus that is spent in our communities and provides a vehicle through which a broad swath of Canadian citizens gain from extraction of their national resources.

Like many irresponsible corporations intent on ratcheting up profit to benefit only an exclusive elite, Vale's scheme is for ordinary Canadian workers and citizens to suffer the cost. Canadian workers and citizens are demanding their right to be treated fairly by the extractor of a national resource, to be recognized as members of a sovereign nation, not a colony of an imperialist Brazilian corporation. Vale must benefit Canada, not solely its corporate bottom line.

Despite all the propaganda the Brazilian-managed Vale has spouted, responsible corporate citizenship is possible, as illustrated by Inco's history and the locally-managed Xstrata's labour contract with its nickel workers.

showed Inco's operations were not only sustainable, but also profitable. In addition, Vale competed to buy Inco with full knowledge of capital requirements associated with new Canadian emissions regulations and complete disclosure of Inco's pension obligations and potential costs associated with workers' nickel bonus. <sup>1</sup>

Canada permitted Vale to complete the deal for Inco only after Vale signed a secret Investment Canada agreement, contractually requiring Vale to ensure the purchase benefited Canada. Vale announced several of the promises it made in that agreement. It said it would increase investments in Inco's Canadian operations; headquarter nickel operations in Canada and hire Canadians for senior management positions. And, significantly, Vale promised it would refrain from laying off Canadian workers for three years.

Purchasing Inco catapulted Vale to the position of second largest mining company in the world. **Including contributions from Inco, Vale's profits in 2008 were \$13.2 billion in U.S. dollars. This was a record. In investor presentations and SEC filings since 2006, Vale touted Inco as a long-life, low-cost nickel producer.**

## INCO EARNINGS BEFORE VALE TAKEOVER (IN U.S. MILLIONS)\*

3 Quarters 2006	Full Year 2005	Full Year 2004	Full Year 2003
\$1,966	\$1,344	\$1,429	\$289

\*Earnings before tax and interest

Despite the profits, made even as nickel prices declined, Vale demanded concessions from its Canadian workers represented by the United Steelworkers (USW). While the USW has a record in certain circumstances of cooperating to aid financially-strapped firms, Vale is far from a corporation in distress. The concessions Vale demands – reduction of the nickel bonus and elimination of the defined benefit pension plan for certain workers – would minimally affect the Brazilian multi-national's multi-billion dollar bottom line. But the effect on worker income and retirement security would dramatically impact local communities' economies. The USW members declined to accept the unjust concessions but offered to continue working under the old labour contract. Vale refused, forcing the workers into a strike.

## Vale's trick play

Just before USW contracts expired in Sudbury and Port Colborne, Vale CEO Roger Agnelli made news with a surprising and alarming statement on the sustainability of the Canadian mines and smelters. In a press event in Rio de Janeiro, Agnelli declared that Sudbury is, "Vale's highest cost operation and it's not sustainable."<sup>1</sup>

Five months later, in December of 2009, a Vale lawyer in Canada repeated Agnelli's contention. This occurred as Vale rebuffed a USW request to resume negotiations. The lawyer said Vale would return to the bargaining table only after the union capitulated to the company's concession demands. He justified Vale's refusal to talk by saying that to meet legal requirements and improve operations, "the company must have these changes in place to demonstrate they have a cost structure that can carry these investments."

While the company has not publicly presented any information regarding the profitability or sustainability of the Sudbury operations, Agnelli's comparison of production

costs in Canada to Vale's open pit operations elsewhere is disingenuous. The cost to extract Sudbury ore located in deep hard rock mines differs significantly from securing ore from open pit mines. Of course, Vale knew when it bought Inco that in addition to nickel, the Canadian mines provide highly-valuable gold, silver, copper, cobalt and platinum group metals, the revenues from which offset the cost of deep mining. **For example, in 2008 Vale obtained 166,000 troy ounces of platinum from Sudbury, selling it for an average price of \$1,557.07 per ounce. That brought Vale nearly \$260 million – in one year, for just one precious ore. The 2008 revenues from platinum covered the entire cost of wages for Vale workers in Sudbury that year.**

That income from one mineral – \$260 million – is many times the value of the concessions that Vale is trying to force on Canadian workers. That savings is a pittance to multi-billion-dollar Vale. But it would be a devastating loss to Canadian workers and our communities.

## REVENUES FROM PLATINUM

In 2008, Vale removed **166,000** troy ounces of Platinum from Sudbury.

Sold at **X \$1,557.07** an ounce

Nearly **\$260 Million** in revenues

# Canadian productivity increased

Unlike Inco, Vale fails to disclose detailed information on the financial performance of its operations in Canada. There's indication, however, that Vale lowered its production costs – thus increasing profits and refuting Agnelli's claim that the operations are unsustainable.

## PER POUND NICKEL PRODUCTION COSTS

3 Quarters 2006	2005	2004	2003	2002	2001	2000
\$2.26	\$2.65	\$2.32	\$2.15	\$1.45	\$1.35	\$1.23

In 2005, the last full year of operation under Inco management, the "after byproduct" cost of producing each pound of nickel was \$2.65. Inco's 3rd quarter 2006 financial files show it reduced those costs to \$2.26 per pound. Although Vale neglects reporting of production costs, it has told financial analysts that follow the company that costs have fallen. **Vale dedicated several slides in a presentation given on the 2007 Analyst and Investors Tour to how it had lowered costs in Sudbury.**

More recently, in an annual report filed just months before Agnelli made his unsustainable claim, Vale said of

its nickel business, **"We believe that our key competitive strengths include our long-life mines, our low-cash costs of production relative to other nickel producers, and sophisticated exploration and processing technologies."**<sup>2</sup>

In that report and the 2007 presentation, Vale clearly seems to be saying that its costs are lower than competitors'. While shipments declined as a result of the recession, requiring Vale to spread fixed costs across fewer pounds sold, the price of nickel had risen to close to \$9.17 a pound at the end of February, 2010 from its low of less than \$5.

## Nickel prices and the commodity rollercoaster

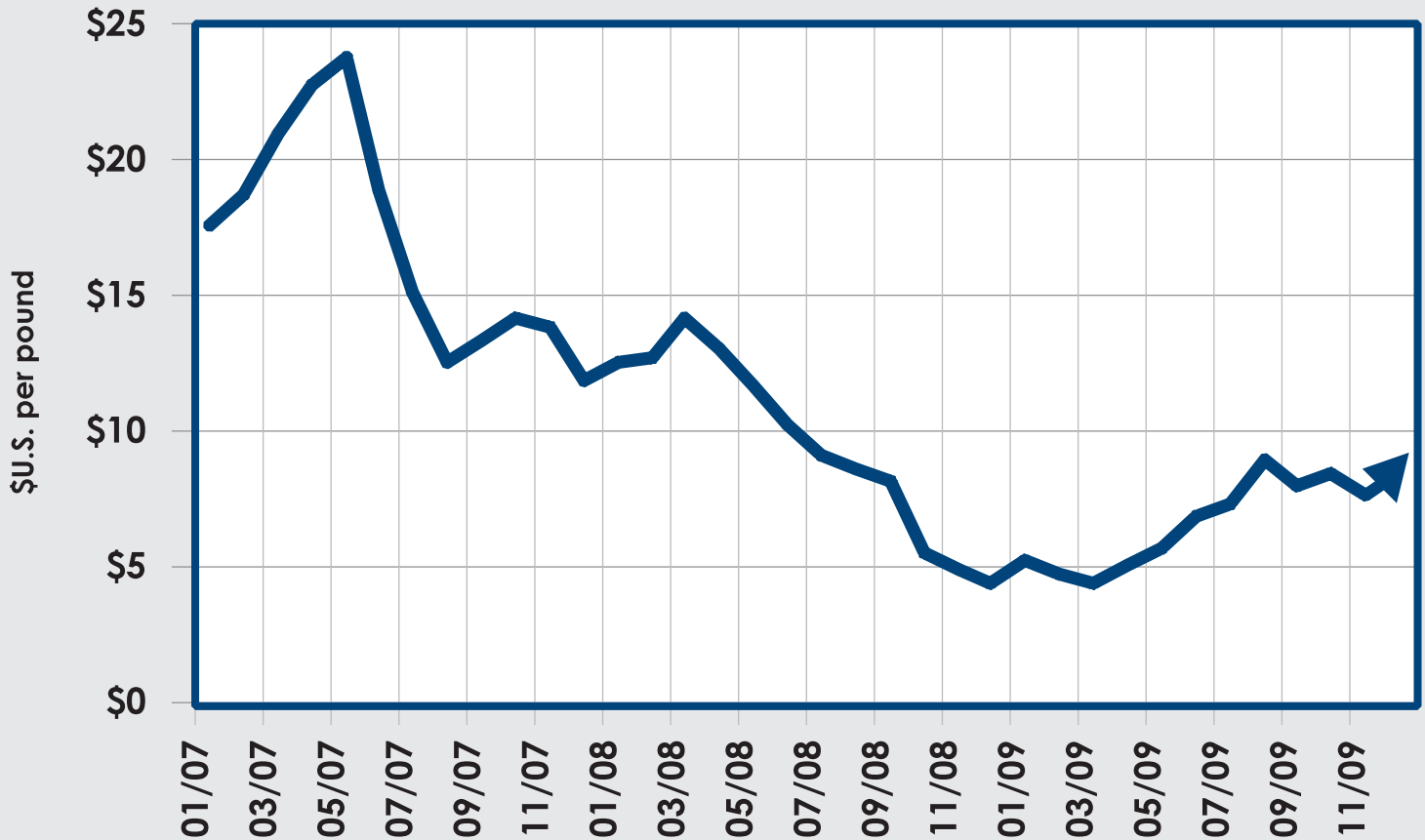
Relatively high nickel prices also belie Agnelli's claim of unsustainability. Nickel prices averaged \$3 per pound throughout the 1990s but in recent years they rose dramatically – to a high of \$24 a pound at one point in 2007. The rise was driven by a dramatic increase in consumption by China and other emerging economies and by commitments to growth in the stainless steel industry, which uses nickel.

During the financial crisis of 2008-09, nickel prices, along with all commodity prices, dropped precipitously. But

they're still significantly higher than in 2005. Analysts predict continued rises because of massive infrastructure investments in China and India slated to go online over the next decade. <sup>3</sup>

Inco repeatedly said its profitability depended on nickel prices. In SEC filings, Inco stated, "The price of nickel has represented, and is currently expected to continue to represent, the principal determinant of our profitability and cash flow from operations." <sup>4</sup>

## \*LME NICKEL PRICE DURING VALE OWNERSHIP



\*London Metal Exchange

**In the ten years before the Vale purchase, nickel prices averaged \$4.59 a pound. In the five years before the Vale purchase they averaged \$6.27.**

Less than a year after Vale purchased Inco, the price of nickel peaked at \$24 per pound before beginning a long decline. The price eventually dipped below \$5 in early 2009. Vale's profits declined with nickel prices, but the \$9.17 price in February, 2010 was significantly higher than what Inco received and profited from throughout the 1990s and 2000s.

## Forcing the Strike

Given the stark disconnect between Agnelli's assertions of unsustainability and rising nickel prices accompanied by Vale's profits and the corporation's bragging about lowered "after by-product" costs, it's clear that Agnelli was simply attempting to pressure workers to eat concessions that would be insignificant to Vale's bottom line but dramatic to workers and Canadian communities. The concessions Vale is demanding to the pension plan and nickel bonus

violate the spirit of Investment Canada's requirement that purchases by foreign corporations benefit Canada.

The nickel bonus is incredibly important to the local economy because it is entirely discretionary income and much of it is spent on local goods and services. It is based on company profits and price of nickel and is not paid when these drop below certain levels. When the price rises, workers and their communities share in the benefit of national resources extracted from Canada. Calculations for the bonus are performed quarterly. An hourly rate is determined and paid in the form of a lump sum bonus.

## NICKEL PRICES\* AND COST OF NICKEL BONUS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	2000-2008 Average
Price at which Inco and Vale-Inco sold nickel (yearly average)	\$9.83	\$16.98	\$14.51	\$6.73	\$6.31	\$4.47	\$3.24	\$2.93	\$4.09	<b>\$7.68</b>
Nickel Bonus Cost Per Pound Sold (yearly average)	10¢	21¢	14¢	7¢	6¢	3¢	2¢	2¢	4¢	<b>8¢</b>
% of Price	1.0%	1.3%	1.0%	1.0%	1.0%	0.7%	0.6%	0.6%	0.9%	<b>0.9%</b>

\*Average price over a year at which Inco and Vale Inco sold nickel

**2007 is an anomaly because nickel prices rose briefly to \$24 a pound.**

**The impact of the bonus on profits is fairly consistent and insignificant.**

## PROFIT AND NICKEL BONUS PAYOUT\*

	2008	2007	2006	2005	2004	2003	2002	2001	2000	2000-2008 Average
Adjusted Corporate Earnings (\$U.S. millions)	\$1,265	\$2,302	\$2,517	\$1,344	\$1,429	\$289	\$364	\$233	\$728	<b>\$1,163</b>
**Total Nickel Bonus Paid in (\$U.S. millions)	\$56	\$110	\$68	\$35	\$33	\$12	\$9	\$8	\$17	<b>\$39</b>
% of Profit	4.4%	4.8%	2.7%	2.6%	2.3%	4.2%	2.5%	3.4%	2.3%	<b>3.2%</b>

\*Vale Inco and Inco adjusted earnings before interest and tax (EBIT) – Vale purchased Inco third quarter 2006

\*\*Estimates based on the calculation per hour multiplied by 2,080 hours and 3,300 employees

To save pennies per pound on nickel produced, Vale proposes in the short term to cap the bonus and to base part of it on complicated accounting measures which are difficult to understand and determined at the discretion of the company. In the long term, the trigger for the nickel bonus would move each year and eventually reach a point where the bonus plan would pay nothing.

The bonus plan was conceived to allow workers to share in the benefits from increased productivity and high nickel prices. The bonus payments also serve as compensation to Canadians for their extracted natural resource because workers spend the vast majority of the bonus

money in their communities, according to the Greater Sudbury Development Corporation.

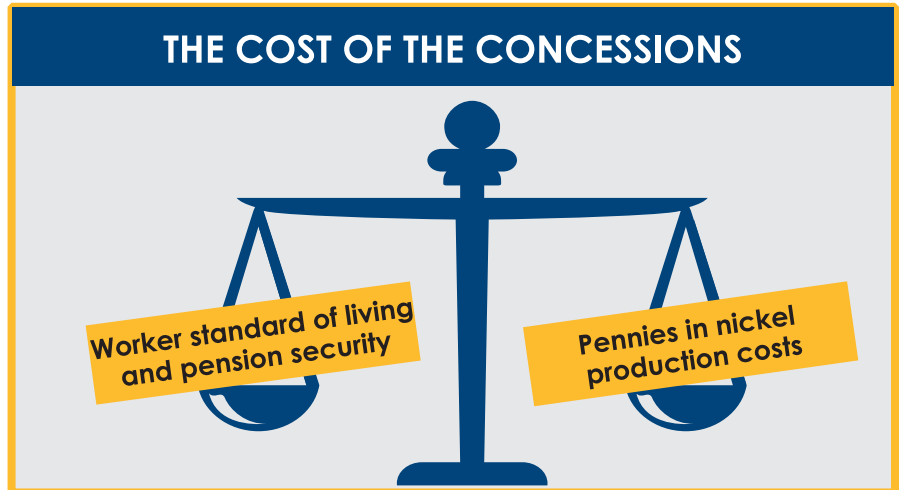
Vale's concessionary pension demands follow a similar greedy corporate line – small additional profit for the Brazilian multi-national at huge expense of workers. The multi-national's defined benefit pension plan suffered a hit when the market collapsed in 2008, but those assets are recovering as the market is. The defined contribution plan that the company has proposed for new workers will not lead to significant savings for Vale. But it will limit the Brazilian corporation's obligation to Canadian workers while increasing risks faced by those workers.

# Vale greed

Vale is seeking to exploit a cyclical downturn in the market and temporarily high nickel inventories to permanently diminish Canadian workers' standard of living and pension security, which, in turn, will damage Canadian communities' economies. Even if Canadian workers conceded to all of Vale's demands, the savings to the Brazilian multi-national would be a tiny fraction of their bottom line. Estimating the value of the concessions is difficult given the fact that the nickel bonus is based on nickel prices, but even if the concessions saved Vale \$25 million in the first year, they would only change Vale's cost of extracting nickel by about 5 cents per pound. That's an insignificant figure considering the fluctuation of nickel prices from \$5 to \$24 a pound and considering that a smaller nickel mining company – Inco – was willing to squander 60 cents a pound – \$292 million – on an attempt to merge with Falconbridge and Phelps-Dodge.<sup>5</sup> It's also inconsequential to Vale considering the bonus it receives in the form of revenues from highly-valuable platinum group metals, gold, silver, copper and cobalt taken from its Canadian mines along with nickel.

Workers' decent pay and hard-earned nickel bonuses are crucial to their communities' economies. These towns benefited significantly during the run-up in nickel prices

in the past five years. Laurentian University business strategy professor Jean-Charles Cachon estimated that USW-represented miners contribute \$20 million a month to the local economy – a full 10 percent of the total.<sup>6</sup> In addition, in 2008, the nickel bonuses provided \$56 million to Sudbury families. These wages and bonuses were largely spent within Sudbury and the region. The Greater Sudbury Development Corp. estimates that 90 percent



of Vale workers' income is spent in the greater Sudbury region – explaining why each mining job supports six others in the community. The development corporation also calculated that residents in this area spend almost half of their income in retail stores. Sudbury residents spend 24 percent more in retail stores than those in the greater Hamilton area.<sup>7</sup> As a result, retailing was vibrant in greater Sudbury, earning it the title, "premier retail center of Northeastern Ontario."

## PROSPERITY IN SUDBURY FROM UNION REPRESENTED MINES RETAIL SALES PER CAPITA

Metropolitan Area	\$Spent
<b>Greater Sudbury</b>	<b>\$14,000</b>
St. Catherines-Niagara	\$11,600
Ottawa-Gatineau	\$11,000
Toronto	\$10,800
Hamilton	\$10,600

Vale's bargaining inflexibility has taken a devastating toll on union members, their families and their communities. Strikers have been forced to spend down their savings, sell off assets, and drastically cut their standard of living to make their mortgage payments, prevent utility shut-offs, and put food on the table. Some striking families have lost their homes and countless more teeter on the edge of economic ruin.

Because of the Vale-provoked strike and workers' loss of income, nine of the 16 categories of retail spending declined by more than 5 percent in 2009 from 2008 levels, according to the City of Greater Sudbury. The average decline of 12 percent eliminated more than \$130 million from the local retail economy. This drop clearly illustrates the multiplier effect in the community of decent-paying mining jobs.

The layoffs by Vale in June and July, followed by the strike, caused a domino effect, prompting layoffs at local mining services companies and related industries. Those layoffs result in less money spent in the local economy, meaning that a restaurant finds it must cut a waitress, grocery stores need fewer cashiers and so on. John Caruso, Co-Chair of the Community Adjustment Committee, estimated that more than \$11 million a month is lost due to domino layoffs.<sup>9</sup> Since the Vale-provoked strike eliminated what remained of the \$18.4 million a month that Vale workers contributed to the economy, the full economic impact is fast-approaching a 30 percent decline in the local economy.

Also affected by the lost wages are charities. In the past USW members working at Vale helped to finance many of Sudbury's charities and social service agencies. In 2008, contributions from members of USW Local 6500 and 2020 and Vale Inco accounted for about half of the \$1.22 million in donations to Sudbury's United Way.<sup>10</sup> In 2009, however, with the strike in full swing, contributions reached only about half that – \$554,272.<sup>11</sup> And now, six months into the strike, USW members who have for years financed these organizations are forced to request their assistance.

Rod Larocque, the President and CEO of the Sudbury Human League, outlined the tough times local social services agencies are facing in a recent op-ed piece in the Sudbury Star, writing that the strike "is putting a lot of pressure on a system that is already busting at the seams... The increase in the number of people on unemployment

## RETAIL SPENDING CUTS IN 2009<sup>8</sup>

Type of spending	Decline
Miscellaneous	-25%
Computer & Software	-22%
Furniture	-16%
Beer, Wine & Liquor	-12%
Cars and Parts	-10%
Home Electronics & Appliances	-9%
Gas Stations	-6%
Shoe, Clothing Accessories & Jewelry	-6%
Clothing	-5%

insurance, social assistance and other support mechanisms is alarming."<sup>12</sup>

Like retail stores and charities, Sudbury's mining supply and services sector has been severely impacted by Vale. In late October 2009, Donn-Marr Welding Supply on Lorne Street in Sudbury declared bankruptcy. Just after Donn-Marr shut its doors, the words, "Thanks VALE Open 31 Years Now Closed," were painted in bold letters across the company's storefront. Don Marcoux, the company's owner and operator, told the Sudbury Star, "When they (Vale) stopped buying, everything just went down the tubes. We couldn't hold on anymore."<sup>13</sup> Vale ended purchases from Donn-Marr in May of 2008 – months before the strike began.

Since purchasing Inco, Vale has indicated it intends to shift away from local suppliers like Donn-Marr and use global sourcing instead. It remains unclear how or to what degree Vale will move from local suppliers, but this could devastate Sudbury's mining supply and services

sector, which has one of the largest concentrations of these businesses in the world, with more than 300 companies employing close to 8,000 people. By contrast, Inco supported this sector. In 2005, Inco reported purchasing \$374 million in supplies and services from local companies, accounting for approximately 40 percent of its purchases.<sup>14</sup>

If Vale actually has plans to shift away from local sourcing, the long-term impact on the local economy could be even more devastating than the current labour

dispute. Sudbury's mining supply and services sector is a regional cluster that has grown up around a hundred-year-old mining camp creating synergies between local complimentary and competing suppliers. Even a partial shift away from current local sourcing practices would stand to undermine the excellence and innovation of this cluster, permanently eliminate hundreds of local jobs, and eliminate millions in local revenue.

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## Unprecedented union-busting tactics

In addition to the economic devastation caused by Vale's intransigence, the Brazilian multi-national has embraced and employed aggressive anti-union tactics never before seen in Sudbury. These include resuming partial operations; directly contacting workers to pressure them to cross picket lines; filing frivolous lawsuits against individual workers for alleged picket line activity, and pitting union members against each other by forcing office and technical workers, who are represented by another USW local, to perform underground mining duties and threatening them with discipline including discharge for failing to follow those orders.

Vale contends in its financial statements that it has fulfilled its obligations under its Investment Canada deal. Most Canadians and Sudbury residents don't believe

that. If it's true, then Vale and the Canadian government should immediately release the Investment Canada document.

No matter what, the Brazilian multi-national has not complied with the spirit of the law requiring that investments benefit Canada, nor has it abided by the specifics that it has released – including its pledge not to lay off Canadian workers for three years. There's no way to know what other specifics it may have disregarded because Industry Minister Tony Clement has refused to release the clandestine document – even though the Act itself says he may disclose promises made in the agreements. What is clear is that Vale's purchase has wounded Canada, not benefited it.

A company is more than just a generator of cash for its shareholders. It is an employer, a taxpayer and a neighbour. It is a steward of the environment, and in this case, a steward of valuable national resources. Vale must make decisions that benefit all of its stakeholders. And if it refuses to do that voluntarily, those responsible for enforcing Investment Canada provisions must ensure Vale benefits Canada.

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<sup>1</sup> <http://www.northernontariobusiness.com> "Sudbury operations 'non sustainable': Vale Inco CEO" 7/8/09

<sup>2</sup> Vale's 2008 20-F

<sup>3</sup> <http://www.nickelinvestingnews.com/897-nickel-prices-to-firm-up.html> "Nickel Prices to Firm Up" 1/12/2010

<sup>4</sup> Various Inco SEC 10-k filings

<sup>5</sup> 3Q06 Inco 10-Q Report

<sup>6</sup> <http://www.northernlife.ca/news/localNews/2009/nov/slump121109.aspx>

<sup>7</sup> Selected CMAs from data provided at:

<http://www.city.greatersudbury.on.ca/content/keyfacts/documents/Retail%5FSales%5F5F0nt%5F2009%2Epdf>

<sup>8</sup> USW analysis of data provided at:

<http://www.city.greatersudbury.on.ca/content/keyfacts/documents/Retail%5FSales%5F5FEstimates%5FTable%5FAug09%2Epdf>

<sup>9</sup> <http://www.northernlife.ca/news/localNews/2009/nov/slump121109.aspx>

<sup>10</sup> <http://www.thesudburystar.com/ArticleDisplay.aspx?e=1735860>

<sup>11</sup> <http://www.unitedwaysudbury.com> "Vale Inco Staff Employees Raise \$154,272 For Sudbury United Way Vale Inco Contributes An Additional \$400,000," November 6, 2009

<sup>12</sup> <http://www.thesudburystar.com/ArticleDisplay.aspx?archive=true&e=2260864>

<sup>13</sup> <http://www.thesudburystar.com/ArticleDisplay.aspx?e=2152120>

<sup>14</sup> "Claiming Our Stake! Building a Sustainable Sudbury." The Community Stakeholders' Task Force on the Future of the Mining Industry. September 2006. And Robinson, David, Interim Paper on the Evolution and Status of the Sudbury Mining Supply and Services Cluster. August 2003.

# Vale, Start Respecting the Sudbury Community

*For eight months, the Sudbury community has witnessed an aggressive attitude by one of the most profitable multinationals in the world.*

*Unfortunately, Vale's corporate approach does not include respect for its workforce, nor any commitment to healthy and prosperous communities.*

*Canada's, and Sudbury's, tradition of labour relations is about allowing companies to earn profit and grow, and at the same time respecting workers and the communities we live in.*

*Steelworkers have made unprecedented attempts to settle. Unfortunately, Vale has opted to prolong the pain and upheaval it is inflicting on our community.*

*We ask that you support Sudbury's families and the future of our community.*

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## YOU can Help:

- **Tell Premier McGuinty** to make a strong public statement and use the many tools at his government's disposal to encourage Vale to bargain a fair deal now.

**Premier McGuinty** at 416-325-1941 / Dalton.McGuinty@premier.gov.on.ca

- **Tell Vale CEO Roger Agnelli** to stop the attack on Sudbury's families.

**Email Agnelli** your own message through the LabourStart campaign at our website: [www.FairDealNow.ca](http://www.FairDealNow.ca) (click on "LabourStart")

- **Tell Stephen Harper and Tony Clement** to make public the documents of Vale's promises, and put some teeth in the Investment Canada Act.

**Stephen Harper** at 613-992-4211 / pm@pm.gc.ca

**Tony Clement** at 613-995-9001 / Clement.T@parl.gc.ca

- **Support Sudbury's Striking Families.**

**Volunteer** to lend a hand at 705-675-3381 or [solidarity@uswsudbury.ca](mailto:solidarity@uswsudbury.ca)

**Vale, this is a Canadian community you are dealing with.**